



**KENTUCKY  
POWER**

A unit of American Electric Power

Kentucky Power  
101A Enterprise Drive  
P O Box 5190  
Frankfort, KY 40602-5190  
KentuckyPower.com

Jeff R. Derouen, Executive Director  
Public Service Commission of Kentucky  
**Attn: Daryl Newby**  
P. O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602-0615

February 18, 2011

**RECEIVED**

**FEB 18 2011**

**PUBLIC SERVICE  
COMMISSION**

Gentlemen:

Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules are attached. These calculations are based on estimated January 2011 fuel costs with an adjustment reflecting actual December 2010 fuel costs.

The fuel adjustment clause factor of  $\$(0.00273)/\text{kWh}$  (credit) will be applied to our March 2011 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's order dated June 28, 2010 in Case No. 2009-00459. The net system sales factor of  $\$(0.0016283)/\text{kWh}$  (credit) will also be applied to our March 2011 billing.

The March 2011 billing will use the combined factor of  $\$(0.0043583)/\text{kWh}$  (credit) for all usage billed.

If you have any questions, please contact me at 502-696-7010.

Sincerely,

Lila P. Munsey  
Manager, Regulatory Services

Attachments

**RECEIVED**

**FEB 21 2011**

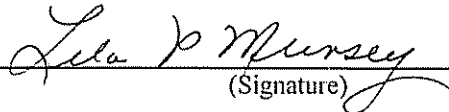
**FINANCIAL ANA**

**KENTUCKY POWER COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

**Month Ended:    January 2011**

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	(\$0.00273)
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>(\$0.0016283)</u>
3 Total Adjustment Clause Factors		<u><u>(\$0.0043583)</u></u>

Effective Date for Billing March 2011

Submitted by:   
(Signature)

Title: Manager, Regulatory Services

Date Submitted: February 18, 2011

**KENTUCKY POWER COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

**Month Ended:                      January 2011**

Fuel Fm (Fuel Cost Schedule)	<u>\$19,948,709</u>		
Sales Sm (Sales Schedule)	777,034,000	(+)	0.02567
Fuel (Fb)	<u>\$16,138,627</u>		
Sales (Sb)	568,162,000	(-)	<u>0.02840</u> *
			<u><u>(0.00273)</u></u> (\$/KWH)

Effective Date for Billing March 2011

Submitted by:   
(Signature)

Title: Manager, Regulatory Services

Date Submitted: February 18, 2011

\*Pursuant to PSC Order dated May 27, 2009 in Case No 2008-00518

## KENTUCKY POWER COMPANY

## FUEL COST SCHEDULE

Month Ended: January 2011

A.	Company Generation			
	Coal Burned	(+)	\$19,565,676	
	Oil Burned	(+)	53,061	
	Gas Burned	(+)	0	
	Fuel (jointly owned plant)	(+)	0	
	Fuel (assigned cost during F. O. )	(+)	0	
	Fuel (substitute for F. O. )	(-)		
	Sub Total		<u>19,618,737</u>	
B.	Purchases			
	Net Energy Cost - Economy Purchases	(+)	0	
	Identifiable Fuel Cost - Other Purchases	(+)	10,384,796	*
	Identifiable Fuel Cost (substitute for F. O. )	(-)	0	
	Sub Total		<u>10,384,796</u>	
C.	Inter-System Sales Fuel Costs		<u>8,159,364</u>	*
	Sub Total		8,159,364	
D.	Total Fuel Cost (A + B - C)		<u><u>\$21,844,169</u></u>	
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>December 2010</u> and the estimated cost originally reported. <u>\$21,220,938</u> - <u>\$24,403,553</u> = <u>(3,182,615)</u> (actual) (est.)			
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>(169,867)</u>	
G.	Grand Total Fuel Cost (D + E - F)		<u>\$18,831,421</u>	
H.	Net Transmission Marginal Line Loss for month of <u>January 2011</u> (Accounts 4470207 and 447208)		1,117,288	
I.	ADJUSTED GRAND TOTAL FUEL COSTS (G + H)		<u><u>\$19,948,709</u></u>	

\* Estimated - based on actual Kentucky generation unit costs in  
January 2011

\$19,618,737  
718,098,000

0.02732 /KWH

## KENTUCKY POWER COMPANY

## SALES SCHEDULE

Month Ended: January 2011

		<u>Kilowatt-Hours</u>
A. Generation (Net)	( + )	718,098,000
Purchases Including Interchange In	( + )	<u>380,117,000</u>
Sub Total		1,098,215,000
B. Pumped Storage Energy	( + )	0
Inter-System Sales Including Interchange Out	( + )	298,659,000
System Losses	( + )	<u>22,522,000</u> *
Sub Total		<u>321,181,000</u>
Total Sales (A - B)		<u><u>777,034,000</u></u>

\* Does not include 681,000 KWH of company usage.

**KENTUCKY POWER COMPANY**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

**Month Ended:            January 2011**

Line No.			
1	FAC Rate Billed	( + )	(0.00073)
2	Retail KWH Billed at Above Rate	( x )	<u>812,261,921</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>(592,951)</u>
4	KWH Used to Determine Last FAC Rate Billed	( + )	590,867,000
5	Non-Jurisdictional KWH Included in L4	( - )	<u>7,987,600</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>582,879,400</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		(425,502)
8	Over or (Under) Recovery (L3 - L7)		(167,449)
9	Total Sales (Page 3)	( + )	777,034,000
10	Kentucky Jurisdictional Sales	( / )	<u>765,975,000</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (L9 / L10)		1.01444
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(169,867)</u></u>

## KENTUCKY POWER COMPANY

FINAL  
FUEL COST SCHEDULE

Month Ended: December 2010

A. Company Generation			
Coal Burned	(+)	\$19,486,426	
Oil Burned	(+)	736,905	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)	(+)		
( 0 KWH X \$0.000000 )	(+)		
Fuel (substitute for F. O.)	(-)		<u>0</u>
Sub-total			<u>20,223,331</u>
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	6,292,960	(1)
Identifiable Fuel Cost (substitute for F. O.)	(-)		
( 0 KWH X \$0.000000 )	(-)		<u>0</u>
Sub-total			<u>6,292,960</u>
C. Inter-System Sales Fuel Costs			<u>5,295,353</u> (1)
D. SUB-TOTAL FUEL COST (A + B - C)			<u>\$21,220,938</u>
E. Net Transmission Marginal Line Loss for month	December 2010		1,112,759
F. GRAND TOTAL FUEL COSTS (D + E)			<u><u>\$22,333,697</u></u>

( 1 ) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

**KENTUCKY POWER COMPANY  
SYSTEM SALES CLAUSE SCHEDULE  
Case No. 9061 and  
Settlement Agreement in Case No. 2009-00459**

Month Ended:        **January 2011**

**Line  
No.**

1	Current Month (Tm) Net Revenue Level	(+)	2,637,654
2	Base Month (Tb) Net Revenue Level (Tariff Sheet No. 19-2, Case No. 2009-00459)	(-)	<u>528,886</u>
3	Increase/(Decrease) of System Sales Net Revenue		2,108,768
4	Customer 60% Sharing	(x)	<u>60%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		1,265,261
6	Current Month (Sm) Sales Level (Page 3 of 5)	(/)	<u>777,034,000</u>
7	System Sales Clause Factor - \$/Kwh (Ln 5 / Ln 6)		<u><u>(0.0016283)</u></u> *

\* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

March 2011

Submitted by:

*Lila P. Mursey*  
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

February 18, 2011



**KENTUCKY POWER COMPANY**  
**SYSTEM SALES CLAUSE NET REVENUE**

**Month Ended:     January 2011**

Line No.		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	TOTAL
1	Sales For Resale Revenues	\$7,601,564	(\$121,218)	\$7,480,346
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	7,601,564	(121,218)	7,480,346
4	Sales For Resale Expenses	\$4,865,200	(\$93,674)	\$4,771,526
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	71,166	0	71,166
7	Total System Sales Expenses	4,936,366	(93,674)	4,842,692
8	Total System Sales Net Revenues	<u>\$2,665,198</u>	<u>(\$27,544)</u>	<u>\$2,637,654</u>

\*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



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Jeff R. Derouen, Executive Director  
Public Service Commission of Kentucky  
**Attn: Daryl Newby**  
P. O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602-0615

March 18, 2011

**RECEIVED**

**MAR 18 2011**

**PUBLIC SERVICE  
COMMISSION**

Gentlemen:

RE: THE STANDARD FUEL ADJUSTMENT CLAUSE

Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules are attached. These calculations are based on estimated February 2011 fuel costs with an adjustment reflecting actual January 2011 fuel costs.

The fuel adjustment clause factor of  $\$(0.00037)/\text{kWh}$  (credit) will be applied to our April 2011 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's order dated June 28, 2010 in Case No. 2009-00459. The net system sales factor of  $\$(0.0017455)/\text{kWh}$  (credit) will also be applied to our April 2011 billing.

The April 2011 billing will use the combined factor of  $\$(0.0021155)/\text{kWh}$  (credit) for all usage billed.

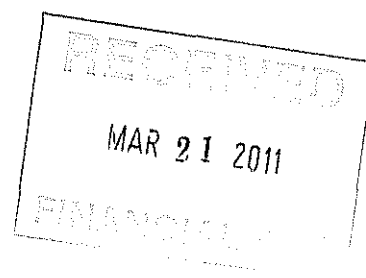
If you have any questions, please contact me at 502-696-7010.

Sincerely,

*Lila P. Munsey*

Lila P. Munsey  
Manager, Regulatory Services

Attachments



**KENTUCKY POWER COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

**Month Ended: February 2011**

- |   |     |                             |
|---|-----|-----------------------------|
| 1 Fuel Adjustment Clause Factor (Page 1 of 5) | (+) | (\$0.00037)                 |
| 2 System Sales Clause Factor (Page 1 of 2)    | (+) | <u>(\$0.0017455)</u>        |
| 3 Total Adjustment Clause Factors             |     | <u><u>(\$0.0021155)</u></u> |

Effective Date for Billing April 2011

Submitted by:   
(Signature)

Title: Manager, Regulatory Services

Date Submitted: March 18, 2011

**KENTUCKY POWER COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Month Ended: February 2011

Fuel Fm (Fuel Cost Schedule)	<u>\$17,347,973</u>		
Sales Sm (Sales Schedule)	618,894,000	(+)	0.02803
Fuel (Fb)	<u>\$16,138,627</u>		
Sales (Sb)	568,162,000	(-)	<u>0.02840 *</u>
			<u><u>(0.00037) (\$/KWH)</u></u>

Effective Date for Billing April 2011

Submitted by:   
(Signature)

Title: Manager, Regulatory Services

Date Submitted: March 18, 2011

\*Pursuant to PSC Order dated May 27, 2009 in Case No. 2008-00518

## KENTUCKY POWER COMPANY

## FUEL COST SCHEDULE

Month Ended: February 2011

A. Company Generation			
Coal Burned	( + )	\$18,021,137	
Oil Burned	( + )	39,349	
Gas Burned	( + )	0	
Fuel (jointly owned plant)	( + )	0	
Fuel (assigned cost during F. O. )	( + )	0	
Fuel (substitute for F. O. )	( - )	0	
Sub Total		<u>18,060,486</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	( + )	0	
Identifiable Fuel Cost - Other Purchases	( + )	7,433,490	*
Identifiable Fuel Cost (substitute for F. O. )	( - )	0	
Sub Total		<u>7,433,490</u>	
C. Inter-System Sales Fuel Costs		<u>7,651,296</u>	*
Sub Total		<u>7,651,296</u>	
D. Total Fuel Cost (A + B - C)		<u><u>\$17,842,680</u></u>	
E. Adjustment indicating the difference in actual fuel cost for the month of <u>January 2011</u> and the estimated cost originally reported <u>\$20,405,637</u> - <u>\$21,844,169</u> = <u>(1,438,532)</u> (actual) (est.)			
F. Total Company Over or (Under) Recovery from Page 4, Line 12		<u>(210,951)</u>	
G. Grand Total Fuel Cost (D + E - F)		<u>\$16,615,099</u>	
H. Net Transmission Marginal Line Loss for month of <u>February 2011</u> (Accounts 4470207 and 447208)		732,874	
I. ADJUSTED GRAND TOTAL FUEL COSTS (G + H)		<u><u>\$17,347,973</u></u>	

\* Estimated - based on actual Kentucky generation unit costs in  
February 2011 \$18,060,486  
644,862,000 0.02801 /KWH

**KENTUCKY POWER COMPANY****SALES SCHEDULE**

Month Ended: February 2011

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	644,862,000
Purchases Including Interchange In	(+)	<u>265,387,000</u>
Sub Total		910,249,000
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	273,163,000
System Losses	(+)	<u>18,192,000</u> *
Sub Total		<u>291,355,000</u>
Total Sales (A - B)		<u><u>618,894,000</u></u>

\* Does not include 570,000 KWH of company usage.

**KENTUCKY POWER COMPANY**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

**Month Ended: February 2011**

Line No.			
1	FAC Rate Billed	( + )	0.00224
2	Retail KWH Billed at Above Rate	( x )	<u>700,003,995</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>1,568,009</u>
4	KWH Used to Determine Last FAC Rate Billed	( + )	803,981,000
5	Non-Jurisdictional KWH Included in L4	( - )	<u>11,141,400</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>792,839,600</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		1,775,961
8	Over or (Under) Recovery (L3 - L7)		(207,952)
9	Total Sales (Page 3)	( + )	618,894,000
10	Kentucky Jurisdictional Sales	( / )	<u>610,095,400</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01442
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(210,951)</u></u>

## KENTUCKY POWER COMPANY

FINAL  
FUEL COST SCHEDULE

Month Ended: January 2011

A Company Generation			
Coal Burned	( + )	\$24,060,894	
Oil Burned	( + )	180,891	
Gas Burned	( + )	0	
Fuel (jointly owned plant)	( + )	0	
Fuel (assigned cost during F. O. )			
( 0 KWH X \$0 000000 )	( + )		
Fuel (substitute for F. O. )	( - )	<u>0</u>	
Sub-total		<u>24,241,785</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	( + )	0	
Identifiable Fuel Cost - Other Purchases	( + )	1,691,407	(1)
Identifiable Fuel Cost (substitute for F O )			
( 0 KWH X \$0 000000 )	( - )	<u>0</u>	
Sub-total		<u>1,691,407</u>	
C. Inter-System Sales Fuel Costs		<u>5,527,555</u>	(1)
D. SUB-TOTAL FUEL COST (A + B - C)		<u>\$20,405,637</u>	
E. Net Transmission Marginal Line Loss for month	January 2011	1,117,288	
F. GRAND TOTAL FUEL COSTS (D + E)		<u><u>\$21,522,925</u></u>	

( 1 ) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.



**KENTUCKY POWER COMPANY  
SYSTEM SALES CLAUSE SCHEDULE  
Case No. 9061 and  
Settlement Agreement in Case No. 2009-00459**

**Month Ended: February 2011**

**Line  
No.**

1	Current Month (Tm) Net Revenue Level	( + )	2,135,624
2	Base Month (Tb) Net Revenue Level (Tariff Sheet No. 19-2, Case No. 2009-00459)	( - )	<u>335,167</u>
3	Increase/(Decrease) of System Sales Net Revenue		1,800,457
4	Customer 60% Sharing	( x )	<u>60%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		1,080,274
6	Current Month (Sm) Sales Level (Page 3 of 5)	( / )	<u>618,894,000</u>
7	System Sales Clause Factor - \$/Kwh (Ln 5 / Ln 6)		<u><u>(0.0017455)</u></u> *

\* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month

Effective Date for Billing:

April 2011

Submitted by:

*Lila P. Mursey*  
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

March 18, 2011

**KENTUCKY POWER COMPANY**  
**SYSTEM SALES CLAUSE NET REVENUE**

**Month Ended: February 2011**

Line No.	CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	TOTAL
1	\$5,971,278	(\$33,368)	\$5,937,910
2	-0-	-0-	-0-
3	5,971,278	(33,368)	5,937,910
4	\$3,788,009	(\$173,995)	\$3,614,014
5	-0-	-0-	-0-
6	188,272	0	188,272
7	3,976,281	(173,995)	3,802,286
8	\$1,994,997	\$140,627	\$2,135,624

\*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



**KENTUCKY  
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Kentucky Power  
101A Enterprise Drive  
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Jeff R. Derouen, Executive Director  
Public Service Commission of Kentucky  
**Attn: Daryl Newby**  
P. O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602-0615

RECEIVED

APR 19 2011

PUBLIC SERVICE  
COMMISSION

April 19, 2011

Gentlemen:

RE: THE STANDARD FUEL ADJUSTMENT CLAUSE

Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules are attached. These calculations are based on estimated March 2011 fuel costs with an adjustment reflecting actual February 2011 fuel costs. There is also an adjustment included on Page 2 of 5 for revised January 2011 fuel costs, as submitted to the Commission on April 12, 2011.

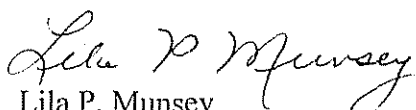
The fuel adjustment clause factor of  $\$(0.00053)/\text{kWh}$  (credit) will be applied to our May 2011 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

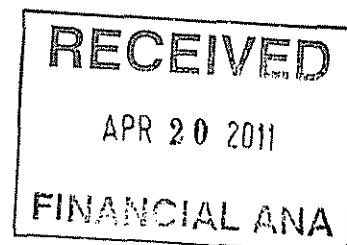
Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's order dated June 28, 2010 in Case No. 2009-00459. The net system sales factor of  $\$.0002210/\text{kWh}$  will also be applied to our May 2011 billing.

The May 2011 billing will use the combined factor of  $\$(0.0003090)/\text{kWh}$  (credit) for all usage billed.

If you have any questions, please contact me at 502-696-7010.

Sincerely,

  
Lila P. Munsey  
Manager, Regulatory Services



Attachments

bcc: (via email – all w/attachment)  
Robbin Wiseman, Canton  
Ellen McAninch, Columbus

Matthew Horeled, Columbus  
Andrea M. Wallace, Columbus

O. J. Sever, Jr., Columbus  
Steve M. Trammell, Tulsa  
Brian Rupp, Columbus

Jeff Brubaker, Columbus  
KPCo Regulatory File Book

**KENTUCKY POWER COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

**Month Ended:    March 2011**

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	(\$0.00053)
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>\$0.0002210</u>
3 Total Adjustment Clause Factors		<u><u>(\$0.0003090)</u></u>

Effective Date for Billing May 2011

Submitted by: *Lila P. Munsey*  
(Signature)

Title: Manager, Regulatory Services

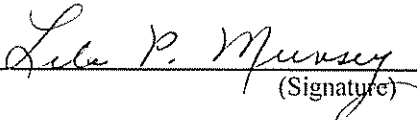
Date Submitted: April 19, 2011

**KENTUCKY POWER COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Month Ended: March 2011

Fuel Fm (Fuel Cost Schedule)	\$16,708,764		
Sales Sm (Sales Schedule)	599,525,000	(+)	0.02787
Fuel (Fb)	\$16,138,627		
Sales (Sb)	568,162,000	(-)	0.02840 *
			(0.00053) (\$/KWH)

Effective Date for Billing May 2011

Submitted by:   
 (Signature)

Title: Manager, Regulatory Services

Date Submitted: April 19, 2011

\*Pursuant to PSC Order dated May 27, 2009 in Case No 2008-00518

## KENTUCKY POWER COMPANY

## FUEL COST SCHEDULE

Month Ended: March 2011

A. Company Generation				
Coal Burned	(+)	\$15,873,073		
Oil Burned	(+)	331,183		
Gas Burned	(+)	0		
Fuel (jointly owned plant)	(+)	0		
Fuel (assigned cost during F. O. )	(+)	0		
Fuel (substitute for F. O. )	(-)			
Sub Total				<u>16,204,256</u>
B Purchases				
Net Energy Cost - Economy Purchases	(+)	0		
Identifiable Fuel Cost - Other Purchases	(+)	11,057,360	*	
Identifiable Fuel Cost (substitute for F. O. )	(-)	0		
Sub Total				<u>11,057,360</u>
C. Inter-System Sales Fuel Costs				<u>9,439,362</u> *
Sub Total				<u>9,439,362</u>
D. Total Fuel Cost (A + B - C)				<u><u>\$17,822,254</u></u>
E. Adjustment indicating the difference in actual fuel cost for the month of February 2011 originally reported.			and the estimated cost	
		<u>\$16,403,993</u>	-	<u>\$17,842,680</u>
		(actual)		(est.)
			=	<u>(1,438,687)</u>
**Adjustment indicating the difference in the revised actual fuel cost for the month of January 2011 originally reported.			and the original actual cost	
		<u>\$20,529,704</u>	-	<u>\$20,405,636</u>
		(Revised Actual)		(Actual)
			=	<u>124,068</u>
F. Total Company Over or (Under) Recovery from Page 4, Line 12				<u>486,696</u>
G. Grand Total Fuel Cost (D + E - F)				<u>\$16,020,939</u>
H. Net Transmission Marginal Line Loss for month of (Accounts 4470207 and 447208)			<u>March 2011</u>	687,826
I. ADJUSTED GRAND TOTAL FUEL COSTS (G + H)				<u><u>\$16,708,764</u></u>

\* Estimated - based on actual Kentucky generation unit costs in March 2011

\$16,204,256  
557,893,000

0.02905 /KWH

\*\* As noted in the revised backup for January 2011 fuel costs. This information was filed with the Commission on 4/12/11

## KENTUCKY POWER COMPANY

## SALES SCHEDULE

Month Ended: March 2011

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	557,893,000
Purchases Including Interchange In	(+)	<u>380,632,000</u>
Sub Total		938,525,000
 B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	324,935,000
System Losses	(+)	<u>14,065,000</u> *
Sub Total		<u>339,000,000</u>
Total Sales (A - B)		<u><u>599,525,000</u></u>

\* Does not include 385,000 KWH of company usage.



**KENTUCKY POWER COMPANY**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

**Month Ended:            March 2011**

Line No.			
1	FAC Rate Billed	( + )	(0.00273)
2	Retail KWH Billed at Above Rate	( x )	<u>590,201,157</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>(1,611,249)</u>
4	KWH Used to Determine Last FAC Rate Billed	( + )	777,034,000
5	Non-Jurisdictional KWH Included in L4	( - )	<u>11,059,000</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>765,975,000</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		(2,091,112)
8	Over or (Under) Recovery (L3 - L7)		479,863
9	Total Sales (Page 3)	( + )	599,525,000
10	Kentucky Jurisdictional Sales	( / )	<u>591,108,200</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L.10)		1.01424
12	Total Company Over or (Under) Recovery (L8 * L.11)		<u><u>486,696</u></u>

## KENTUCKY POWER COMPANY

FINAL  
FUEL COST SCHEDULE

Month Ended: February 2011

A. Company Generation			
Coal Burned	( + )	\$20,872,662	
Oil Burned	( + )	51,349	
Gas Burned	( + )	0	
Fuel (jointly owned plant)	( + )	0	
Fuel (assigned cost during F. O. )			
( 0 KWH X \$0.000000 )	( + )		
Fuel (substitute for F. O. )	( - )		<u>0</u>
Sub-total			<u>20,924,011</u>
B. Purchases			
Net Energy Cost - Economy Purchases	( + )	0	
Identifiable Fuel Cost - Other Purchases	( + )	1,410,593	(1)
Identifiable Fuel Cost (substitute for F. O. )			
( 0 KWH X \$0.000000 )	( - )		<u>0</u>
Sub-total			<u>1,410,593</u>
C. Inter-System Sales Fuel Costs			<u>5,930,611</u> (1)
D. SUB-TOTAL FUEL COST (A + B - C)			<u>\$16,403,993</u>
E. Net Transmission Marginal Line Loss for month	February 2011	732,874	
F. GRAND TOTAL FUEL COSTS (D + E)			<u><u>\$17,136,867</u></u>

( 1 ) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

**KENTUCKY POWER COMPANY  
SYSTEM SALES CLAUSE SCHEDULE  
Case No. 9061 and  
Settlement Agreement in Case No. 2009-00459**

**Month Ended:            March 2011**

**Line  
No.**

1	Current Month (Tm) Net Revenue Level	(+)	1,309,636
2	Base Month (Tb) Net Revenue Level (Tariff Sheet No. 19-2, Case No. 2009-00459)	(-)	<u>1,530,489</u>
3	Increase/(Decrease) of System Sales Net Revenue		(220,853)
4	Customer 60% Sharing	(x)	<u>60%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		(132,512)
6	Current Month (Sm) Sales Level (Page 3 of 5)	(/)	<u>599,525,000</u>
7	System Sales Clause Factor - \$/Kwh (Ln 5 / Ln 6)		<u><u>0.0002210</u></u> *

\* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

May 2011

Submitted by:

*Lela P. Munsey*  
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

April 19, 2011

**KENTUCKY POWER COMPANY**  
**SYSTEM SALES CLAUSE NET REVENUE**

**Month Ended:     March 2011**

Line No.		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	TOTAL
1	Sales For Resale Revenues	\$6,083,562	(\$5,540)	\$6,078,022
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	6,083,562	(5,540)	6,078,022
4	Sales For Resale Expenses	\$4,576,654	(\$11,650)	\$4,565,004
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	203,382	0	203,382
7	Total System Sales Expenses	4,780,036	(11,650)	4,768,386
8	Total System Sales Net Revenues	<u>\$1,303,526</u>	<u>\$6,110</u>	<u>\$1,309,636</u>

\*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



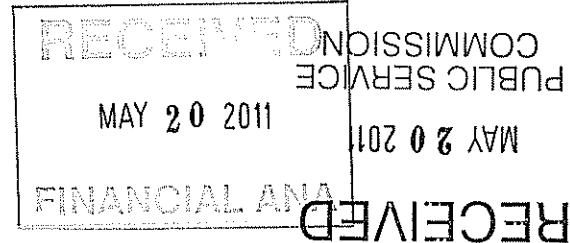
**KENTUCKY  
POWER**

A unit of American Electric Power

Kentucky Power  
101A Enterprise Drive  
P O Box 5190  
Frankfort, KY 40602-5190  
KentuckyPower.com

Jeff R. Derouen, Executive Director  
Public Service Commission of Kentucky  
**Attn: Daryl Newby**  
P. O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602-0615

May 20, 2011



Gentlemen:

RE: THE STANDARD FUEL ADJUSTMENT CLAUSE

Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules are attached. These calculations are based on estimated April 2011 fuel costs with an adjustment reflecting actual March 2011 fuel costs.

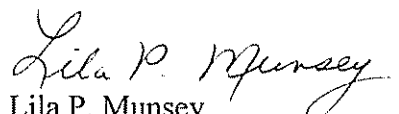
The fuel adjustment clause factor of \$0.00248/kWh will be applied to our June 2011 billing. In accordance with the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's order dated June 28, 2010 in Case No. 2009-00459. The net system sales factor of \$(0.0000644)/kWh (credit) will also be applied to our June 2011 billing.

The June 2011 billing will use the combined factor of \$.0024156/kWh for all usage billed.

If you have any questions, please contact me at 502-696-7010.

Sincerely,

  
Lila P. Munsey  
Manager, Regulatory Services

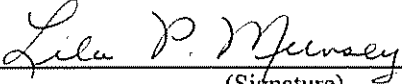
Attachments

**KENTUCKY POWER COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

**Month Ended:    April 2011**

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00248
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>(\$0.0000644)</u>
3 Total Adjustment Clause Factors		<u><u>\$0.0024156</u></u>

Effective Date for Billing May 31, 2011

Submitted by:   
(Signature)

Title: Manager, Regulatory Services

Date Submitted: May 20, 2011

**KENTUCKY POWER COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Month Ended: April 2011

Fuel Fm (Fuel Cost Schedule)	<u>\$15,918,755</u>		
Sales Sm (Sales Schedule)	515,565,000	(+)	0.03088
Fuel (Fb)	<u>\$16,138,627</u>		
Sales (Sb)	568,162,000	(-)	<u>0.02840</u> *
			<u><u>0.00248</u></u> (\$/KWH)

Effective Date for Billing May 31, 2011

Submitted by: *Lila P. Munsey*  
(Signature)

Title: Manager, Regulatory Services

Date Submitted: May 20, 2011

\*Pursuant to PSC Order dated May 27, 2009 in Case No 2008-00518

## KENTUCKY POWER COMPANY

## FUEL COST SCHEDULE

Month Ended: April 2011

A. Company Generation			
Coal Burned	(+)	\$13,944,950	
Oil Burned	(+)	428,288	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O. )	(+)	0	
Fuel (substitute for F. O. )	(-)		
Sub Total			<u>14,373,238</u>
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	11,052,929	*
Identifiable Fuel Cost (substitute for F. O. )	(-)	0	
Sub Total			<u>11,052,929</u>
C. Inter-System Sales Fuel Costs			<u>9,316,779</u> *
Sub Total			<u>9,316,779</u>
D. Total Fuel Cost (A + B - C)			<u><u>\$16,109,388</u></u>
E. Adjustment indicating the difference in actual fuel cost for the month of <u>March 2011</u> and the estimated cost originally reported. <u>\$16,935,912</u> - <u>\$17,822,254</u> = <u>(886,342)</u> (actual) (estimated)			
F. Total Company Over or (Under) Recovery from Page 4, Line 12			<u>20,383</u>
G. Grand Total Fuel Cost (D + E - F)			<u>\$15,202,663</u>
H. Net Transmission Marginal Line Loss for month of <u>April 2011</u> (Accounts 4470207 and 447208)			716,092
I. ADJUSTED GRAND TOTAL FUEL COSTS (G + H)			<u><u>\$15,918,755</u></u>

\* Estimated - based on actual Kentucky generation unit costs in  
April 2011 \$14,373,238  
470,779,000 0.03053 /KWH



## KENTUCKY POWER COMPANY

## SALES SCHEDULE

Month Ended: April 2011

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	470,779,000
Purchases Including Interchange In	(+)	<u>362,035,000</u>
Sub Total		832,814,000
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	305,168,000
System Losses	(+)	<u>12,081,000</u> *
Sub Total		<u>317,249,000</u>
Total Sales (A - B)		<u><u>515,565,000</u></u>

\* Does not include 361,000 KWH of company usage.

**KENTUCKY POWER COMPANY**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Month Ended:            April 2011

Line No.			
1	FAC Rate Billed	( + )	(0.00037)
2	Retail KWH Billed at Above Rate	( x )	<u>555,723,152</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>(205,618)</u>
4	KWH Used to Determine Last FAC Rate Billed	( + )	618,894,000
5	Non-Jurisdictional KWH Included in L4	( - )	<u>8,798,600</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>610,095,400</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		(225,735)
8	Over or (Under) Recovery (L3 - L7)		20,117
9	Total Sales (Page 3)	( + )	515,565,000
10	Kentucky Jurisdictional Sales	( / )	<u>508,839,900</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01322
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>20,383</u></u>

## KENTUCKY POWER COMPANY

FINAL  
FUEL COST SCHEDULE

Month Ended: March 2011

A. Company Generation			
Coal Burned	(+)	\$18,616,735	
Oil Burned	(+)	422,589	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O. )			
( 0 KWH X \$0.000000 )	(+)		
Fuel (substitute for F. O. )	(-)	<u>0</u>	
Sub-total		<u>19,039,324</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	3,339,016	(1)
Identifiable Fuel Cost (substitute for F. O. )			
( 0 KWH X \$0.000000 )	(-)	<u>0</u>	
Sub-total		<u>3,339,016</u>	
C. Inter-System Sales Fuel Costs		<u>5,442,428</u>	(1)
D. SUB-TOTAL FUEL COST (A + B - C)		<u>\$16,935,912</u>	
E. Net Transmission Marginal Line Loss for month	<u>March 2011</u>	687,826	
F. GRAND TOTAL FUEL COSTS (D + E)		<u><u>\$17,623,738</u></u>	

( 1 ) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

**KENTUCKY POWER COMPANY  
SYSTEM SALES CLAUSE SCHEDULE  
Case No. 9061 and  
Settlement Agreement in Case No. 2009-00459**

Month Ended:            April 2011

**Line  
No.**

1	Current Month (Tm) Net Revenue Level	(+)	1,426,901	
2	Base Month (Tb) Net Revenue Level (Tariff Sheet No. 19-2, Case No. 2009-00459)	(-)	<u>1,371,521</u>	
3	Increase/(Decrease) of System Sales Net Revenue		55,380	
4	Customer 60% Sharing	(x)	<u>60%</u>	
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		33,228	
6	Current Month (Sm) Sales Level (Page 3 of 5)	(/)	<u>515,565,000</u>	
7	System Sales Clause Factor - \$/Kwh (Ln 5 / Ln 6)		<u><u>(0.0000644)</u></u>	*

\* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

May 31, 2011

Submitted by:

*Lela P. Munsey*  
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

May 20, 2011

**KENTUCKY POWER COMPANY**  
**SYSTEM SALES CLAUSE NET REVENUE**

**Month Ended:      April 2011**

Line No.		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	TOTAL
1	Sales For Resale Revenues	\$7,241,555	(\$1,824)	\$7,239,731
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	7,241,555	(1,824)	7,239,731
4	Sales For Resale Expenses	\$5,433,349	\$115,336	\$5,548,685
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	264,145	0	264,145
7	Total System Sales Expenses	5,697,494	115,336	5,812,830
8	Total System Sales Net Revenues	<u>\$1,544,061</u>	<u>(\$117,160)</u>	<u>\$1,426,901</u>

\*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



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Kentucky Power  
101A Enterprise Drive  
P O Box 5190  
Frankfort, KY 40602-5190  
KentuckyPower.com

Jeff R. Derouen, Executive Director  
Public Service Commission of Kentucky  
**Attn: Daryl Newby**  
P. O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602-0615

June 17, 2011

RECEIVED

JUN 17 2011

PUBLIC SERVICE  
COMMISSION

Gentlemen:

RE: THE STANDARD FUEL ADJUSTMENT CLAUSE

Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules are attached. These calculations are based on estimated May 2011 fuel costs with an adjustment reflecting actual April 2011 fuel costs.

The fuel adjustment clause factor of \$(0.00020)/kWh (credit) will be applied to our July 2011 billing. In accordance with the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's Order dated June 28, 2010 in Case No. 2009-00459. The net system sales factor of \$0.0006785/kWh will also be applied to our July 2011 billing.

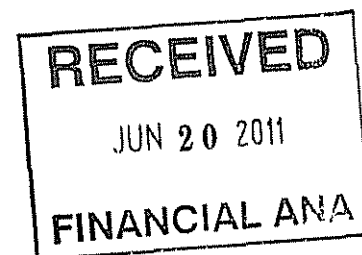
The July 2011 billing will use the combined factor of \$0.0004785/kWh for all usage billed.

If you have any questions, please contact me at 502-696-7010.

Sincerely,

Lila P. Munsey  
Manager, Regulatory Services

Attachments



**KENTUCKY POWER COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

Month Ended:    May 2011

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	(\$0.00020)
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>\$0.0006785</u>
3 Total Adjustment Clause Factors		<u><u>\$0.0004785</u></u>

Effective Date for Billing June 29, 2011

Submitted by: *Lila P. Mursey*  
(Signature)

Title: Manager, Regulatory Services

Date Submitted: June 17, 2011





## KENTUCKY POWER COMPANY

## FUEL COST SCHEDULE

Month Ended: May 2011

A.	Company Generation			
	Coal Burned	(+)	\$15,527,933	
	Oil Burned	(+)	73,216	
	Gas Burned	(+)	0	
	Fuel (jointly owned plant)	(+)	0	
	Fuel (assigned cost during F. O. )	(+)	0	
	Fuel (substitute for F. O. )	(-)		
	Sub Total		<u>15,601,149</u>	
B.	Purchases			
	Net Energy Cost - Economy Purchases	(+)	0	
	Identifiable Fuel Cost - Other Purchases	(+)	9,759,910	*
	Identifiable Fuel Cost (substitute for F. O. )	(-)	0	
	Sub Total		<u>9,759,910</u>	
C.	Inter-System Sales Fuel Costs		<u>9,185,750</u>	*
	Sub Total		9,185,750	
D.	Total Fuel Cost (A + B - C)		<u><u>\$16,175,309</u></u>	
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>April 2011</u> and the estimated cost originally reported. <u>\$14,530,145</u> - <u>\$16,109,388</u> = <u>(1,579,243)</u> (actual) (estimated)			
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>42,854</u>	
G.	Grand Total Fuel Cost (D + E - F)		<u>\$14,553,212</u>	
H.	Net Transmission Marginal Line Loss for month of <u>May 2011</u> (Accounts 4470207 and 447208)		669,207	
I.	ADJUSTED GRAND TOTAL FUEL COSTS (G + H)		<u><u>\$15,222,419</u></u>	

\* Estimated - based on actual Kentucky generation unit costs in  
May 2011 \$15,601,149  
534,985,000 0.02916 /KWH

## KENTUCKY POWER COMPANY

## SALES SCHEDULE

Month Ended: May 2011

		<u>Kilowatt-Hours</u>
A. Generation (Net)	( + )	534,985,000
Purchases Including Interchange In	( + )	<u>334,702,000</u>
Sub Total		869,687,000
 B. Pumped Storage Energy	 ( + )	 0
Inter-System Sales Including Interchange Out	( + )	315,012,000
System Losses	( + )	<u>14,874,000</u> *
Sub Total		<u>329,886,000</u>
Total Sales (A - B)		<u><u>539,801,000</u></u>

\* Does not include 319,000 KWH of company usage.

**KENTUCKY POWER COMPANY**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Month Ended:            May 2011

Line No.			
1	FAC Rate Billed	( + )	(0.00053)
2	Retail KWH Billed at Above Rate	( x )	<u>511,139,681</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>(270,904)</u>
4	KWH Used to Determine Last FAC Rate Billed	( + )	599,525,000
5	Non-Jurisdictional KWH Included in L4	( - )	<u>8,416,800</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>591,108,200</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		(313,287)
8	Over or (Under) Recovery (L3 - L7)		42,383
9	Total Sales (Page 3)	( + )	539,801,000
10	Kentucky Jurisdictional Sales	( / )	<u>533,862,000</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (L9 / L10)		1.01112
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>42,854</u></u>

## KENTUCKY POWER COMPANY

FINAL  
FUEL COST SCHEDULE

Month Ended: April 2011

A. Company Generation			
Coal Burned	(+)	\$16,100,402	
Oil Burned	(+)	553,099	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O. )			
( 0 KWH X \$0.000000 )	(+)		
Fuel (substitute for F. O. )	(-)	<u>0</u>	
Sub-total		<u>16,653,501</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	3,304,339	(1)
Identifiable Fuel Cost (substitute for F. O. )			
( 0 KWH X \$0.000000 )	(-)	<u>0</u>	
Sub-total		<u>3,304,339</u>	
C. Inter-System Sales Fuel Costs		<u>5,427,695</u>	(1)
D. SUB-TOTAL FUEL COST (A + B - C)		<u>\$14,530,145</u>	
E. Net Transmission Marginal Line Loss for month	<u>April 2011</u>	716,092	
F. GRAND TOTAL FUEL COSTS (D + E)		<u><u>\$15,246,237</u></u>	

( 1 ) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

**KENTUCKY POWER COMPANY  
SYSTEM SALES CLAUSE SCHEDULE  
Case No. 9061 and  
Settlement Agreement in Case No. 2009-00459**

**Month Ended:            May 2011**

**Line  
No.**

1	Current Month (Tm) Net Revenue Level	( + )	697,045
2	Base Month (Tb) Net Revenue Level (Tariff Sheet No. 19-2, Case No. 2009-00459)	( - )	<u>1,307,472</u>
3	Increase/(Decrease) of System Sales Net Revenue		(610,427)
4	Customer 60% Sharing	( x )	<u>60%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		(366,256)
6	Current Month (Sm) Sales Level (Page 3 of 5)	( / )	<u>539,801,000</u>
7	System Sales Clause Factor - \$/Kwh (Ln 5 / Ln 6)		<u><u>0.0006785</u></u> *

\* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

June 29, 2011

Submitted by:

*Lela P. Mursey*  
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

June 17, 2011

**KENTUCKY POWER COMPANY**  
**SYSTEM SALES CLAUSE NET REVENUE**

**Month Ended:      May 2011**

Line No.		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	TOTAL
1	Sales For Resale Revenues	\$5,377,357	(\$118,955)	\$5,258,402
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	5,377,357	(118,955)	5,258,402
4	Sales For Resale Expenses	\$4,232,134	\$174,123	\$4,406,257
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	155,100	0	155,100
7	Total System Sales Expenses	4,387,234	174,123	4,561,357
8	Total System Sales Net Revenues	<u>\$990,123</u>	<u>(\$293,078)</u>	<u>\$697,045</u>

\*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



**KENTUCKY  
POWER**

A unit of American Electric Power

Kentucky Power  
101A Enterprise Drive  
P O Box 5190  
Frankfort, KY 40602-5190  
KentuckyPower.com

Jeff R. Derouen, Executive Director  
Public Service Commission of Kentucky  
**Attn: Daryl Newby**  
P. O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602-0615

July 19, 2011

RECEIVED

JUL 19 2011

PUBLIC SERVICE  
COMMISSION

Gentlemen:

RE: THE STANDARD FUEL ADJUSTMENT CLAUSE

Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules are attached. These calculations are based on estimated June 2011 fuel costs with an adjustment reflecting actual May 2011 fuel costs.

The fuel adjustment clause factor of \$0.00153/kWh will be applied to the August 2011 billing. In accordance with the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's Order dated June 28, 2010 in Case No. 2009-00459. The net system sales factor of \$(0.0021813)/kWh (credit) will also be applied to the August 2011 billing.

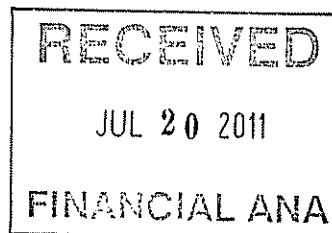
The August 2011 billing will use the combined factor of \$(0.0006513)/kWh (credit) for all usage billed.

If you have any questions, please contact me at 502-696-7010.

Sincerely,

Lila P. Munsey  
Manager, Regulatory Services

Attachments



**KENTUCKY POWER COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

**Month Ended: June 2011**

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00153
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>(\$0.0021813)</u>
3 Total Adjustment Clause Factors		<u><u>(\$0.0006513)</u></u>

Effective Date for Billing

July 29, 2011

Submitted by:

*Lela P. Mursey*  
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

July 19, 2011

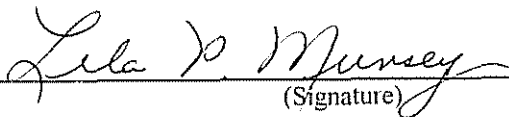


**KENTUCKY POWER COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Month Ended: June 2011

Fuel Fm (Fuel Cost Schedule)	<u>\$16,752,061</u>		
Sales Sm (Sales Schedule)	559,756,000	(+)	0.02993
Fuel (Fb)	<u>\$16,138,627</u>		
Sales (Sb)	568,162,000	(-)	<u>0.02840</u> *
			<u><u>0.00153</u></u> (\$/KWH)

Effective Date for Billing July 29, 2011

Submitted by:   
(Signature)

Title: Manager, Regulatory Services

Date Submitted: July 19, 2011

\*Pursuant to PSC Order dated May 27, 2009 in Case No 2008-00518

## KENTUCKY POWER COMPANY

## FUEL COST SCHEDULE

Month Ended: June 2011

A. Company Generation			
Coal Burned	(+)	\$17,251,024	
Oil Burned	(+)	428,255	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O. )	(+)	0	
Fuel (substitute for F. O. )	(-)		
Sub Total		<u>17,679,279</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	13,324,288	*
Identifiable Fuel Cost (substitute for F. O. )	(-)	0	
Sub Total		<u>13,324,288</u>	
C. Inter-System Sales Fuel Costs		<u>14,121,331</u>	*
Sub Total		14,121,331	
D. Total Fuel Cost (A + B - C)		<u>\$16,882,236</u>	
E. Adjustment indicating the difference in actual fuel cost for the month of <u>May 2011</u> and the estimated cost originally reported <u>\$15,026,401</u> - <u>\$16,175,309</u> = <u>(1,148,908)</u> (actual) (estimated)			
F. Total Company Over or (Under) Recovery from Page 4, Line 12		<u>118,553</u>	
G. Grand Total Fuel Cost (D + E - F)		<u>\$15,614,775</u>	
H. Net Transmission Marginal Line Loss for month of <u>June 2011</u> (Accounts 4470207 and 447208)		1,137,286	
I. ADJUSTED GRAND TOTAL FUEL COSTS (G + H)		<u>\$16,752,061</u>	

\* Estimated - based on actual Kentucky generation unit costs in  
June 2011 \$17,679,279  
601,871,000 0.02937 /KWH

## KENTUCKY POWER COMPANY

## SALES SCHEDULE

Month Ended: June 2011

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	601,871,000
Purchases Including Interchange In	(+)	<u>453,670,000</u>
Sub Total		1,055,541,000
 B. Pumped Storage Energy	 (+)	 0
Inter-System Sales Including Interchange Out	(+)	480,808,000
System Losses	(+)	<u>14,977,000</u> *
Sub Total		<u>495,785,000</u>
Total Sales (A - B)		<u><u>559,756,000</u></u>

\* Does not include 299,000 KWH of company usage.

**KENTUCKY POWER COMPANY**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Month Ended:            **June 2011**

Line No.			
1	FAC Rate Billed	( + )	0 00248
2	Retail KWH Billed at Above Rate	( x )	<u>556,005,961</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>1,378,895</u>
4	KWH Used to Determine Last FAC Rate Billed	( + )	515,565,000
5	Non-Jurisdictional KWH Included in L4	( - )	<u>6,725,100</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>508,839,900</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		1,261,923
8	Over or (Under) Recovery (L3 - L7)		116,972
9	Total Sales (Page 3)	( + )	559,756,000
10	Kentucky Jurisdictional Sales	( / )	<u>552,286,600</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1 01352
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>118,553</u></u>

## KENTUCKY POWER COMPANY

FINAL  
FUEL COST SCHEDULE

Month Ended: May 2011

A. Company Generation			
Coal Burned	( + )	\$18,480,438	
Oil Burned	( + )	115,541	
Gas Burned	( + )	0	
Fuel (jointly owned plant)	( + )	0	
Fuel (assigned cost during F. O. )			
( 71,277,000 KWH X \$0.018662 )	( + )	1,330,171	
Fuel (substitute for F. O. )	( - )	<u>0</u>	
Sub-total		<u>19,926,150</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	( + )	0	
Identifiable Fuel Cost - Other Purchases	( + )	3,875,601	(1)
Identifiable Fuel Cost (substitute for F. O. )			
( 71,277,000 KWH X \$0.018662 )	( - )	<u>1,330,171</u>	
Sub-total		<u>2,545,430</u>	
C. Inter-System Sales Fuel Costs		<u>7,445,179</u>	(1)
D. SUB-TOTAL FUEL COST (A + B - C)		<u>\$15,026,401</u>	
E. Net Transmission Marginal Line Loss for month	<u>May 2011</u>	669,207	
F. GRAND TOTAL FUEL COSTS (D + E)		<u><u>\$15,695,608</u></u>	

( 1 ) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

**KENTUCKY POWER COMPANY  
SYSTEM SALES CLAUSE SCHEDULE  
Case No. 9061 and  
Settlement Agreement in Case No. 2009-00459**

Month Ended: **June 2011**

**Line  
No.**

1	Current Month (Tm) Net Revenue Level	(+)	2,802,131
2	Base Month (Tb) Net Revenue Level (Tariff Sheet No. 19-2, Case No. 2009-00459)	(-)	<u>767,124</u>
3	Increase/(Decrease) of System Sales Net Revenue		2,035,007
4	Customer 60% Sharing	(x)	<u>60%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		1,221,004
6	Current Month (Sm) Sales Level (Page 3 of 5)	(/)	<u>559,756,000</u>
7	System Sales Clause Factor - \$/Kwh (Ln 5 / Ln 6)		<u>(0.0021813)</u> *

\* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

July 29, 2011

Submitted by:

*Lila P. Mursey*  
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

July 19, 2011

**KENTUCKY POWER COMPANY**  
**SYSTEM SALES CLAUSE NET REVENUE**

**Month Ended:      June 2011**

Line No.		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	TOTAL
1	Sales For Resale Revenues	\$10,546,350	\$11,416	\$10,557,766
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	10,546,350	11,416	10,557,766
4	Sales For Resale Expenses	\$7,423,736	\$36,564	\$7,460,300
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	295,335	0	295,335
7	Total System Sales Expenses	7,719,071	36,564	7,755,635
8	Total System Sales Net Revenues	<u>\$2,827,279</u>	<u>(\$25,148)</u>	<u>\$2,802,131</u>

\*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



**KENTUCKY  
POWER**

A unit of American Electric Power

Kentucky Power  
101A Enterprise Drive  
P O Box 5190  
Frankfort, KY 40602-5190  
KentuckyPower.com

Jeff R. Derouen, Executive Director  
Public Service Commission of Kentucky  
**Attn: Daryl Newby**  
P. O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602-0615

**RECEIVED**

**AUG 19 2011**

**PUBLIC SERVICE  
COMMISSION**

August 19, 2011

Gentlemen:

RE: THE STANDARD FUEL ADJUSTMENT CLAUSE

Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules are attached. These calculations are based on estimated July 2011 fuel costs with an adjustment reflecting actual June 2011 fuel costs.

The fuel adjustment clause factor of \$0.00502/kWh will be applied to the September 2011 billing. In accordance with the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's Order dated June 28, 2010 in Case No. 2009-00459. The net system sales factor of \$(0.0040242)/kWh (credit) will also be applied to the September 2011 billing.

The September 2011 billing will use the combined factor of \$0.0009958/kWh for all usage billed.

If you have any questions, please contact me at 502-696-7010.

Sincerely,

Lila P. Munsey  
Manager, Regulatory Services

Attachments

AUG 22 2011



KENTUCKY POWER COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: July 2011

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00502
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>(\$0.0040242)</u>
3 Total Adjustment Clause Factors		<u><u>\$0.0009958</u></u>

Effective Date for Billing

August 29, 2011

Submitted by:

  
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

August 19, 2011

**KENTUCKY POWER COMPANY**

**FUEL ADJUSTMENT CLAUSE SCHEDULE**

**Month Ended: July 2011**

Fuel Fm (Fuel Cost Schedule)	<u>\$20,618,837</u>		
Sales Sm (Sales Schedule)	616,889,000	( + )	0.03342
Fuel (Fb)	<u>\$16,138,627</u>		
Sales (Sb)	568,162,000	( - )	<u>0.02840</u> *
			<u>0.00502</u> (\$/KWH)

Effective Date for Billing August 29, 2011

Submitted by:   
(Signature)

Title: Manager, Regulatory Services

Date Submitted: August 19, 2011

\*Pursuant to PSC Order dated May 31, 2011 in Case No. 2010-00490

## KENTUCKY POWER COMPANY

## FUEL COST SCHEDULE

Month Ended: July 2011

A. Company Generation			
Coal Burned	(+)	\$20,863,369	
Oil Burned	(+)	40,002	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)	(+)	0	
Fuel (substitute for F. O.)	(-)		
Sub Total			<u>20,903,371</u>
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	15,627,417	*
Identifiable Fuel Cost (substitute for F. O.)	(-)	0	
Sub Total			<u>15,627,417</u>
C. Inter-System Sales Fuel Costs			<u>17,049,726</u> *
Sub Total			<u>17,049,726</u>
D. Total Fuel Cost (A + B - C)			<u><u>\$19,481,062</u></u>
E. Adjustment indicating the difference in actual fuel cost for the month of <u>June 2011</u> and the estimated cost originally reported.			
		<u>\$16,174,847</u>	-
	(actual)		
		<u>\$16,882,236</u>	-
	(estimated)		
			= <u>(707,389)</u>
F. Total Company Over or (Under) Recovery from Page 4, Line 12			<u>(7,525)</u>
G. Grand Total Fuel Cost (D + E - F)			<u>\$18,781,198</u>
H. Net Transmission Marginal Line Loss for month of <u>July 2011</u> (Accounts 4470207 and 447208)			1,837,639
I. ADJUSTED GRAND TOTAL FUEL COSTS (G + H)			<u><u>\$20,618,837</u></u>

\* Estimated - based on actual Kentucky generation unit costs in July 2011

<u>\$20,903,371</u>		
680,027,000	0.03074	/KWH

## KENTUCKY POWER COMPANY

## SALES SCHEDULE

Month Ended: July 2011

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	680,027,000
Purchases Including Interchange In	(+)	<u>508,374,000</u>
Sub Total		1,188,401,000
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	554,643,000
System Losses	(+)	<u>16,869,000</u> *
Sub Total		<u>571,512,000</u>
Total Sales (A - B)		<u><u>616,889,000</u></u>

\* Does not include 312,000 KWH of company usage.

**KENTUCKY POWER COMPANY**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Month Ended:            July 2011

Line No.			
1	FAC Rate Billed	(+)	(0.00020)
2	Retail KWH Billed at Above Rate	(x)	<u>570,945,371</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>(114,189)</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	539,801,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>5,939,000</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>533,862,000</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		(106,772)
8	Over or (Under) Recovery (L3 - L7)		(7,417)
9	Total Sales (Page 3)	(+)	616,889,000
10	Kentucky Jurisdictional Sales	(/)	<u>608,038,400</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01456
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(7,525)</u></u>

## KENTUCKY POWER COMPANY

FINAL  
FUEL COST SCHEDULE

Month Ended: June 2011

A. Company Generation			
Coal Burned	(+)	\$21,788,060	
Oil Burned	(+)	537,357	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
( 6,230,000 KWH X \$0.023075 )	(+)	143,757	
Fuel (substitute for F. O.)	(-)	0	
Sub-total		<u>22,469,174</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	2,092,068	(1)
Identifiable Fuel Cost (substitute for F. O.)			
( 6,230,000 KWH X \$0.023075 )	(-)	<u>143,757</u>	
Sub-total		<u>1,948,311</u>	
C. Inter-System Sales Fuel Costs		<u>8,242,638</u>	(1)
D. SUB-TOTAL FUEL COST (A + B - C)		<u>\$16,174,847</u>	
E. Net Transmission Marginal Line Loss for month	<u>June 2011</u>	1,137,286	
F. GRAND TOTAL FUEL COSTS (D + E)		<u><u>\$17,312,133</u></u>	

( 1 ) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

**KENTUCKY POWER COMPANY  
SYSTEM SALES CLAUSE SCHEDULE  
Case No. 9061 and  
Settlement Agreement in Case No. 2009-00459**

**Month Ended:                      July 2011**

**Line  
No.**

1	Current Month (Tm) Net Revenue Level	( + )	4,753,668
2	Base Month (Tb) Net Revenue Level (Tariff Sheet No. 19-2, Case No. 2009-00459)	( - )	<u>616,234</u>
3	Increase/(Decrease) of System Sales Net Revenue		4,137,434
4	Customer 60% Sharing	( x )	<u>60%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		2,482,460
6	Current Month (Sm) Sales Level (Page 3 of 5)	( / )	<u>616,889,000</u>
7	System Sales Clause Factor - \$/Kwh (Ln 5 / Ln 6)		<u><u>(0.0040242)</u></u> *

\* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

August 29, 2011

Submitted by:

*Julia Munsie*  
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

August 19, 2011

**KENTUCKY POWER COMPANY**  
**SYSTEM SALES CLAUSE NET REVENUE**

**Month Ended: July 2011**

Line No.	CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	TOTAL
1 Sales For Resale Revenues	\$14,293,439	(\$180,701)	\$14,112,738
2 Interchange-Delivered Revenues	-0-	-0-	-0-
3 Total System Sales Revenues	14,293,439	(180,701)	14,112,738
4 Sales For Resale Expenses	\$9,070,952	\$179,731	\$9,250,683
5 Interchange-Delivered Expenses	-0-	-0-	-0-
6 Non-Associated Utilities Monthly Environmental Costs*	108,387	0	108,387
7 Total System Sales Expenses	9,179,339	179,731	9,359,070
8 Total System Sales Net Revenues	<u>\$5,114,100</u>	<u>(\$360,432)</u>	<u>\$4,753,668</u>

\*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



Jeff R. Derouen, Executive Director  
Public Service Commission of Kentucky  
**Attn: Daryl Newby**  
P. O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602-0615

September 16, 2011

RECEIVED

SEP 16 2011

PUBLIC SERVICE  
COMMISSION

Gentlemen:

RE: THE STANDARD FUEL ADJUSTMENT CLAUSE

Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules are attached. These calculations are based on estimated August 2011 fuel costs with an adjustment reflecting actual July 2011 fuel costs.

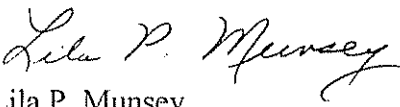
The fuel adjustment clause factor of \$0.00115/kWh will be applied to the October 2011 billing. In accordance with the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's Order dated June 28, 2010 in Case No. 2009-00459. The net system sales factor of \$(0.0002906)/kWh (credit) will also be applied to the October 2011 billing.

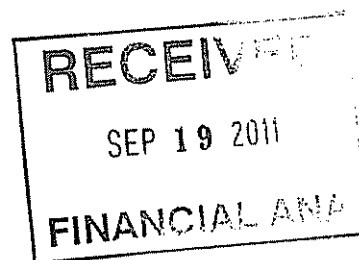
The October 2011 billing will use the combined factor of \$0.0008594/kWh for all usage billed.

If you have any questions, please contact me at 502-696-7010.

Sincerely,

  
Lila P. Munsey  
Manager, Regulatory Services

Attachments



**KENTUCKY POWER COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

**Month Ended: August 2011**

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00115
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>(\$0.0002906)</u>
3 Total Adjustment Clause Factors		<u><u>\$0.0008594</u></u>

Effective Date for Billing

September 28, 2011

Submitted by:

*Lila P. Mursey*  
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

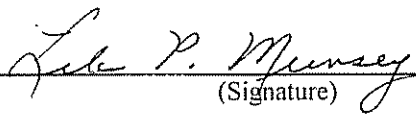
September 16, 2011

**KENTUCKY POWER COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

**Month Ended: August 2011**

Fuel Fm (Fuel Cost Schedule)	\$18,324,493			
Sales Sm (Sales Schedule)	620,100,000	( + )		0.02955
Fuel (Fb)	\$16,138,627			
Sales (Sb)	568,162,000	( - )		0.02840 *
				0.00115 (\$/KWH)

Effective Date for Billing September 28, 2011

Submitted by:   
 (Signature)

Title: Manager, Regulatory Services

Date Submitted: September 16, 2011

*\*Pursuant to PSC Order dated May 31, 2011 in Case No 2010-00490*

## KENTUCKY POWER COMPANY

## FUEL COST SCHEDULE

Month Ended: August 2011

A. Company Generation			
Coal Burned	(+)	\$14,128,090	
Oil Burned	(+)	119,985	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O. )	(+)	0	
Fuel (substitute for F. O. )	(-)		
Sub Total		<u>14,248,075</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	15,364,951	*
Identifiable Fuel Cost (substitute for F. O. )	(-)	0	
Sub Total		<u>15,364,951</u>	
C. Inter-System Sales Fuel Costs		<u>11,352,062</u>	*
Sub Total		11,352,062	
D. Total Fuel Cost (A + B - C)		<u><u>\$18,260,964</u></u>	
E. Adjustment indicating the difference in actual fuel cost for the month of <u>July 2011</u> and the estimated cost originally reported. <u>\$18,449,052</u> - <u>\$19,481,062</u> = <u>(1,032,010)</u> (actual) (estimated)			
F. Total Company Over or (Under) Recovery from Page 4, Line 12		<u>58,420</u>	
G. Grand Total Fuel Cost (D + E - F)		<u>\$17,170,534</u>	
H. Net Transmission Marginal Line Loss for month of <u>August 2011</u> (Accounts 4470207 and 447208)		1,153,959	
I. ADJUSTED GRAND TOTAL FUEL COSTS (G + H)		<u><u>\$18,324,493</u></u>	

\* Estimated - based on actual Kentucky generation unit costs in August 2011

\$14,248,075  
498,579,000

0.02858 /KWH

## KENTUCKY POWER COMPANY

## SALES SCHEDULE

Month Ended: August 2011

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	498,579,000
Purchases Including Interchange In	(+)	<u>537,612,000</u>
Sub Total		1,036,191,000
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	397,203,000
System Losses	(+)	<u>18,888,000</u> *
Sub Total		<u>416,091,000</u>
Total Sales (A - B)		<u><u>620,100,000</u></u>

\* Does not include 320,000 KWH of company usage.

**KENTUCKY POWER COMPANY**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Month Ended:            **August 2011**

Line No.			
1	FAC Rate Billed	( + )	0.00153
2	Retail KWH Billed at Above Rate	( x )	<u>589,976,422</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>902,664</u>
4	KWH Used to Determine Last FAC Rate Billed	( + )	559,756,000
5	Non-Jurisdictional KWH Included in L4	( - )	<u>7,469,400</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>552,286,600</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		844,998
8	Over or (Under) Recovery (L3 - L7)		57,666
9	Total Sales (Page 3)	( + )	620,100,000
10	Kentucky Jurisdictional Sales	( / )	<u>612,096,700</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (L9 / L10)		1.01308
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>58,420</u></u>

## KENTUCKY POWER COMPANY

FINAL  
FUEL COST SCHEDULE

Month Ended: July 2011

A. Company Generation			
Coal Burned	(+)	\$25,849,029	
Oil Burned	(+)	153,739	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
( 0 KWH X \$0.000000 )	(+)	0	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>26,002,768</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	1,973,582	(1)
Identifiable Fuel Cost (substitute for F. O.)			
( 0 KWH X \$0.000000 )	(-)	<u>0</u>	
Sub-total		<u>1,973,582</u>	
C. Inter-System Sales Fuel Costs		<u>9,527,298</u>	(1)
D. SUB-TOTAL FUEL COST (A + B - C)		<u>\$18,449,052</u>	
E. Net Transmission Marginal Line Loss for month	<u>July 2011</u>	1,837,639	
F. GRAND TOTAL FUEL COSTS (D + E)		<u><u>\$20,286,691</u></u>	

( 1 ) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

**KENTUCKY POWER COMPANY  
SYSTEM SALES CLAUSE SCHEDULE  
Case No. 9061 and  
Settlement Agreement in Case No. 2009-00459**

**Month Ended: August 2011**

**Line  
No.**

1	Current Month (Tm) Net Revenue Level	(+)	2,436,972
2	Base Month (Tb) Net Revenue Level (Tariff Sheet No. 19-2, Case No. 2009-00459)	(-)	<u>2,136,652</u>
3	Increase/(Decrease) of System Sales Net Revenue		300,320
4	Customer 60% Sharing	(x)	<u>60%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		180,192
6	Current Month (Sm) Sales Level (Page 3 of 5)	(/)	<u>620,100,000</u>
7	System Sales Clause Factor - \$/Kwh (Ln 5 / Ln 6)		<u><u>(0.0002906)</u></u> *

\* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

September 28, 2011

Submitted by:

*Lela P. Munsey*  
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

September 16, 2011



## KENTUCKY POWER COMPANY

## SYSTEM SALES CLAUSE NET REVENUE

Month Ended: August 2011

Line No.		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	TOTAL
1	Sales For Resale Revenues	\$9,680,068	(\$161,672)	\$9,518,396
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	9,680,068	(161,672)	9,518,396
4	Sales For Resale Expenses	\$6,924,678	\$136,199	\$7,060,877
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	20,547	0	20,547
7	Total System Sales Expenses	6,945,225	136,199	7,081,424
8	Total System Sales Net Revenues	<u>\$2,734,843</u>	<u>(\$297,871)</u>	<u>\$2,436,972</u>

\*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



**KENTUCKY  
POWER**

A unit of American Electric Power

Kentucky Power  
101A Enterprise Drive  
P O Box 5190  
Frankfort, KY 40602-5190  
KentuckyPower.com

Jeff R. Derouen, Executive Director  
Public Service Commission of Kentucky

**Attn: Daryl Newby**

P. O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602-0615

October 17, 2011

RECEIVED

OCT 17 2011

PUBLIC SERVICE  
COMMISSION

Gentlemen:

RE: THE STANDARD FUEL ADJUSTMENT CLAUSE

Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules are attached. These calculations are based on estimated September 2011 fuel costs with an adjustment reflecting actual August 2011 fuel costs.

The fuel adjustment clause factor of \$0.00236/kWh will be applied to the November 2011 billing. In accordance with the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's Order dated June 28, 2010 in Case No. 2009-00459. The net system sales factor of \$0.0010567/kWh will also be applied to the November 2011 billing.

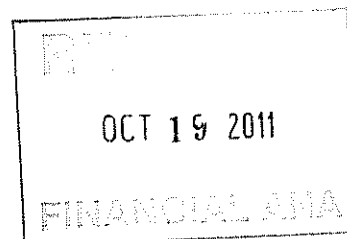
The November 2011 billing will use the combined factor of \$0.0034167/kWh for all usage billed.

If you have any questions, please contact me at 502-696-7010.

Sincerely,

Lila P. Munsey  
Manager, Regulatory Services

Attachments



**KENTUCKY POWER COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

Month Ended:    **September 2011**

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00236
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>\$0.0010567</u>
3 Total Adjustment Clause Factors		<u><u>\$0.0034167</u></u>

Effective Date for Billing October 27, 2011

Submitted by: *Lila P. Mursey*  
(Signature)

Title: Manager, Regulatory Services

Date Submitted: October 17, 2011

**KENTUCKY POWER COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Month Ended: September 2011

Fuel Fm (Fuel Cost Schedule)	\$15,128,713		
Sales Sm (Sales Schedule)	491,831,000	(+)	0.03076
Fuel (Fb)	\$16,138,627		
Sales (Sb)	568,162,000	(-)	0.02840 *
			0.00236 (\$/KWH)

Effective Date for Billing October 27, 2011

Submitted by:   
 (Signature)

Title: Manager, Regulatory Services

Date Submitted: October 17, 2011

\*Pursuant to PSC Order dated May 31, 2011 in Case No 2010-00490

## KENTUCKY POWER COMPANY

## FUEL COST SCHEDULE

Month Ended: September 2011

A. Company Generation				
Coal Burned	(+)	\$11,092,102		
Oil Burned	(+)	575,446		
Gas Burned	(+)	0		
Fuel (jointly owned plant)	(+)	0		
Fuel (assigned cost during F. O. )	(+)	0		
Fuel (substitute for F. O. )	(-)			
Sub Total			<u>11,667,548</u>	
B. Purchases				
Net Energy Cost - Economy Purchases	(+)	0		
Identifiable Fuel Cost - Other Purchases	(+)	15,148,277		*
Identifiable Fuel Cost (substitute for F. O. )	(-)	0		
Sub Total			<u>15,148,277</u>	
C. Inter-System Sales Fuel Costs			<u>10,407,299</u>	*
Sub Total			10,407,299	
D. Total Fuel Cost (A + B - C)			<u><u>\$16,408,526</u></u>	
E. Adjustment indicating the difference in actual fuel cost for the month of August 2011 and the estimated cost originally reported.				
		<u>\$15,854,202</u>	-	<u>\$18,260,964</u>
		(actual)		(estimated)
			=	<u>(2,406,762)</u>
F. Total Company Over or (Under) Recovery from Page 4, Line 12			<u>(268,808)</u>	
G. Grand Total Fuel Cost (D + E - F)			<u>\$14,270,572</u>	
H. Net Transmission Marginal Line Loss for month of (Accounts 4470207 and 447208)			<u>September 2011</u>	858,141
I. ADJUSTED GRAND TOTAL FUEL COSTS (G + H)			<u><u>\$15,128,713</u></u>	

\* Estimated - based on actual Kentucky generation unit costs in September 2011

\$11,667,548  
359,500,000

0.03245 /KWH

## KENTUCKY POWER COMPANY

## SALES SCHEDULE

Month Ended: September 2011

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	359,500,000
Purchases Including Interchange In	(+)	<u>466,819,000</u>
Sub Total		826,319,000
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	320,718,000
System Losses	(+)	<u>13,770,000</u> *
Sub Total		<u>334,488,000</u>
Total Sales (A - B)		<u><u>491,831,000</u></u>

\* Does not include 296,000 KWH of company usage.

**KENTUCKY POWER COMPANY**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Month Ended:      **September 2011**

Line No.			
1	FAC Rate Billed	( + )	0.00502
2	Retail KWH Billed at Above Rate	( x )	<u>555,182,443</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>2,787,016</u>
4	KWH Used to Determine Last FAC Rate Billed	( + )	616,889,000
5	Non-Jurisdictional KWH Included in L4	( - )	<u>8,850,600</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>608,038,400</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		3,052,353
8	Over or (Under) Recovery (L3 - L7)		(265,337)
9	Total Sales (Page 3)	( + )	491,831,000
10	Kentucky Jurisdictional Sales	( / )	<u>485,478,700</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (L9 / L10)		1.01308
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(268,808)</u></u>

## KENTUCKY POWER COMPANY

FINAL  
FUEL COST SCHEDULE

Month Ended: August 2011

A. Company Generation			
Coal Burned	( + )	\$19,989,961	
Oil Burned	( + )	147,708	
Gas Burned	( + )	0	
Fuel (jointly owned plant)	( + )	0	
Fuel (assigned cost during F. O. )			
( 36,451 KWH X \$20.423000 )	( + )	744,439	
Fuel (substitute for F. O. )	( - )	<u>0</u>	
Sub-total		<u>20,882,108</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	( + )	0	
Identifiable Fuel Cost - Other Purchases	( + )	1,827,151	(1)
Identifiable Fuel Cost (substitute for F. O. )			
( 36,451 KWH X \$20.423000 )	( - )	<u>744,439</u>	
Sub-total		<u>1,082,712</u>	
C. Inter-System Sales Fuel Costs		<u>6,110,618</u>	(1)
D. SUB-TOTAL FUEL COST (A + B - C)		<u>\$15,854,202</u>	
E. Net Transmission Marginal Line Loss for month	<u>August 2011</u>	1,153,959	
F. GRAND TOTAL FUEL COSTS (D + E)		<u><u>\$17,008,161</u></u>	

( 1 ) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.



**KENTUCKY POWER COMPANY  
SYSTEM SALES CLAUSE SCHEDULE  
Case No. 9061 and  
Settlement Agreement in Case No. 2009-00459**

Month Ended:      **September 2011**

**Line  
No.**

1	Current Month (Tm) Net Revenue Level	(+)	984,349
2	Base Month (Tb) Net Revenue Level (Tariff Sheet No. 19-2, Case No. 2009-00459)	(-)	<u>1,850,577</u>
3	Increase/(Decrease) of System Sales Net Revenue		(866,228)
4	Customer 60% Sharing	(x)	<u>60%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		(519,737)
6	Current Month (Sm) Sales Level (Page 3 of 5)	(/)	<u>491,831,000</u>
7	System Sales Clause Factor - \$/Kwh (Ln 5 / Ln 6)		<u><u>0.0010567</u></u> *

\* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month

Effective Date for Billing:

October 27, 2011

Submitted by:

*Lila P. Mursey*  
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

October 17, 2011

**KENTUCKY POWER COMPANY**  
**SYSTEM SALES CLAUSE NET REVENUE**

**Month Ended: September 2011**

Line No.		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	TOTAL
1	Sales For Resale Revenues	\$6,988,471	(\$26,392)	\$6,962,079
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	6,988,471	(26,392)	6,962,079
4	Sales For Resale Expenses	\$5,707,394	\$236,777	\$5,944,171
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	33,559	0	33,559
7	Total System Sales Expenses	5,740,953	236,777	5,977,730
8	Total System Sales Net Revenues	<u>\$1,247,518</u>	<u>(\$263,169)</u>	<u>\$984,349</u>

\*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



**KENTUCKY  
POWER**

A unit of American Electric Power

Kentucky Power  
101A Enterprise Drive  
P O Box 5190  
Frankfort, KY 40602-5190  
KentuckyPower.com

Jeff R. Derouen, Executive Director  
Public Service Commission of Kentucky

**Attn: Daryl Newby**

P. O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602-0615

October 17, 2011

RECEIVED

OCT 17 2011

PUBLIC SERVICE  
COMMISSION

Gentlemen:

RE: THE STANDARD FUEL ADJUSTMENT CLAUSE

Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules are attached. These calculations are based on estimated September 2011 fuel costs with an adjustment reflecting actual August 2011 fuel costs.

The fuel adjustment clause factor of \$0.00236/kWh will be applied to the November 2011 billing. In accordance with the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's Order dated June 28, 2010 in Case No. 2009-00459. The net system sales factor of \$0.0010567/kWh will also be applied to the November 2011 billing.

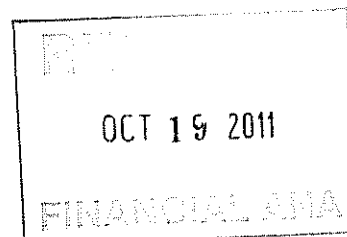
The November 2011 billing will use the combined factor of \$0.0034167/kWh for all usage billed.

If you have any questions, please contact me at 502-696-7010.

Sincerely,

Lila P. Munsey  
Manager, Regulatory Services

Attachments



**KENTUCKY POWER COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

**Month Ended:    September 2011**

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00236
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>\$0.0010567</u>
3 Total Adjustment Clause Factors		<u><u>\$0.0034167</u></u>

Effective Date for Billing

October 27, 2011

Submitted by:

*Lila P. Mursey*  
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

October 17, 2011

**KENTUCKY POWER COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Month Ended: September 2011

Fuel Fm (Fuel Cost Schedule)	\$15,128,713		
Sales Sm (Sales Schedule)	491,831,000	(+)	0.03076
Fuel (Fb)	\$16,138,627		
Sales (Sb)	568,162,000	(-)	0.02840 *
			0.00236 (\$/KWH)

Effective Date for Billing October 27, 2011

Submitted by:   
 (Signature)

Title: Manager, Regulatory Services

Date Submitted: October 17, 2011

\*Pursuant to PSC Order dated May 31, 2011 in Case No 2010-00490

## KENTUCKY POWER COMPANY

## FUEL COST SCHEDULE

Month Ended: September 2011

A. Company Generation				
Coal Burned	(+)	\$11,092,102		
Oil Burned	(+)	575,446		
Gas Burned	(+)	0		
Fuel (jointly owned plant)	(+)	0		
Fuel (assigned cost during F. O. )	(+)	0		
Fuel (substitute for F. O. )	(-)			
Sub Total				<u>11,667,548</u>
B. Purchases				
Net Energy Cost - Economy Purchases	(+)	0		
Identifiable Fuel Cost - Other Purchases	(+)	15,148,277	*	
Identifiable Fuel Cost (substitute for F. O. )	(-)	0		
Sub Total				<u>15,148,277</u>
C. Inter-System Sales Fuel Costs				<u>10,407,299</u> *
Sub Total				10,407,299
D. Total Fuel Cost (A + B - C)				<u><u>\$16,408,526</u></u>
E. Adjustment indicating the difference in actual fuel cost for the month of <u>August 2011</u> and the estimated cost originally reported.		<u>\$15,854,202</u> (actual)	-	<u>\$18,260,964</u> (estimated)
			=	<u>(2,406,762)</u>
F. Total Company Over or (Under) Recovery from Page 4, Line 12				<u>(268,808)</u>
G. Grand Total Fuel Cost (D + E - F)				<u>\$14,270,572</u>
H. Net Transmission Marginal Line Loss for month of <u>September 2011</u> (Accounts 4470207 and 447208)				858,141
I. ADJUSTED GRAND TOTAL FUEL COSTS (G + H)				<u><u>\$15,128,713</u></u>

\* Estimated - based on actual Kentucky generation unit costs in  
September 2011

\$11,667,548  
359,500,000

0.03245 /KWH

## KENTUCKY POWER COMPANY

## SALES SCHEDULE

Month Ended: September 2011

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	359,500,000
Purchases Including Interchange In	(+)	<u>466,819,000</u>
Sub Total		826,319,000
 B. Pumped Storage Energy	 (+)	 0
Inter-System Sales Including Interchange Out	(+)	320,718,000
System Losses	(+)	<u>13,770,000</u> *
Sub Total		<u>334,488,000</u>
Total Sales (A - B)		<u><u>491,831,000</u></u>

\* Does not include 296,000 KWH of company usage.

**KENTUCKY POWER COMPANY**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Month Ended:      **September 2011**

Line No.			
1	FAC Rate Billed	( + )	0.00502
2	Retail KWH Billed at Above Rate	( x )	<u>555,182,443</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>2,787,016</u>
4	KWH Used to Determine Last FAC Rate Billed	( + )	616,889,000
5	Non-Jurisdictional KWH Included in L4	( - )	<u>8,850,600</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>608,038,400</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		3,052,353
8	Over or (Under) Recovery (L3 - L7)		(265,337)
9	Total Sales (Page 3)	( + )	491,831,000
10	Kentucky Jurisdictional Sales	( / )	<u>485,478,700</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (L9 / L10)		1.01308
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(268,808)</u></u>



## KENTUCKY POWER COMPANY

FINAL  
FUEL COST SCHEDULE

Month Ended: August 2011

A. Company Generation			
Coal Burned	( + )	\$19,989,961	
Oil Burned	( + )	147,708	
Gas Burned	( + )	0	
Fuel (jointly owned plant)	( + )	0	
Fuel (assigned cost during F. O. )			
( 36,451 KWH X \$20.423000 )	( + )	744,439	
Fuel (substitute for F. O. )	( - )	<u>0</u>	
Sub-total		<u>20,882,108</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	( + )	0	
Identifiable Fuel Cost - Other Purchases	( + )	1,827,151	(1)
Identifiable Fuel Cost (substitute for F. O. )			
( 36,451 KWH X \$20.423000 )	( - )	<u>744,439</u>	
Sub-total		<u>1,082,712</u>	
C. Inter-System Sales Fuel Costs		<u>6,110,618</u>	(1)
D. SUB-TOTAL FUEL COST (A + B - C)		<u>\$15,854,202</u>	
E. Net Transmission Marginal Line Loss for month	<u>August 2011</u>	1,153,959	
F. GRAND TOTAL FUEL COSTS (D + E)		<u><u>\$17,008,161</u></u>	

( 1 ) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

**KENTUCKY POWER COMPANY  
SYSTEM SALES CLAUSE SCHEDULE  
Case No. 9061 and  
Settlement Agreement in Case No. 2009-00459**

Month Ended:      **September 2011**

**Line  
No.**

1	Current Month (Tm) Net Revenue Level	(+)	984,349	
2	Base Month (Tb) Net Revenue Level (Tariff Sheet No. 19-2, Case No. 2009-00459)	(-)	<u>1,850,577</u>	
3	Increase/(Decrease) of System Sales Net Revenue		(866,228)	
4	Customer 60% Sharing	(x)	<u>60%</u>	
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		(519,737)	
6	Current Month (Sm) Sales Level (Page 3 of 5)	(/)	<u>491,831,000</u>	
7	System Sales Clause Factor - \$/Kwh (Ln 5 / Ln 6)		<u><u>0.0010567</u></u>	*

\* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month

Effective Date for Billing:

October 27, 2011

Submitted by:

*Lila P. Mursey*  
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

October 17, 2011

**KENTUCKY POWER COMPANY**  
**SYSTEM SALES CLAUSE NET REVENUE**

**Month Ended: September 2011**

Line No.		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	TOTAL
1	Sales For Resale Revenues	\$6,988,471	(\$26,392)	\$6,962,079
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	6,988,471	(26,392)	6,962,079
4	Sales For Resale Expenses	\$5,707,394	\$236,777	\$5,944,171
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	33,559	0	33,559
7	Total System Sales Expenses	5,740,953	236,777	5,977,730
8	Total System Sales Net Revenues	<u>\$1,247,518</u>	<u>(\$263,169)</u>	<u>\$984,349</u>

\*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



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Kentucky Power  
101A Enterprise Drive  
P O Box 5190  
Frankfort, KY 40602-5190  
KentuckyPower.com

Jeff R. Derouen, Executive Director  
Public Service Commission of Kentucky

**Attn: Daryl Newby**

P. O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602-0615

November 18, 2011

Gentlemen:

RE: THE STANDARD FUEL ADJUSTMENT CLAUSE

Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules are attached. These calculations are based on estimated October 2011 fuel costs with an adjustment reflecting actual September 2011 fuel costs.

The fuel adjustment clause factor of \$0.00157/kWh will be applied to the December 2011 billing. In accordance with the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's Order dated June 28, 2010 in Case No. 2009-00459. The net system sales factor of \$0.0015605/kWh will also be applied to the December 2011 billing.

The December 2011 billing will use the combined factor of \$0.0031305/kWh for all usage billed.

If you have any questions, please contact me at 502-696-7010.

Sincerely,

Lila P. Munsey  
Manager, Regulatory Services

Attachments

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**KENTUCKY POWER COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

**Month Ended:    October 2011**

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00157
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>\$0.0015605</u>
3 Total Adjustment Clause Factors		<u><u>\$0.0031305</u></u>

Effective Date for Billing

November 29, 2011

Submitted by:

*Lila P. Munsey*  
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

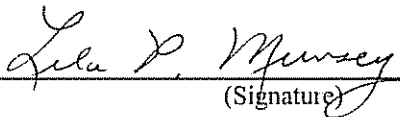
November 18, 2011

**KENTUCKY POWER COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Month Ended: **October 2011**

Fuel Fm (Fuel Cost Schedule)	<u>\$15,666,075</u>		
Sales Sm (Sales Schedule)	522,656,000	( + )	0.02997
Fuel (Fb)	<u>\$16,138,627</u>		
Sales (Sb)	568,162,000	( - )	<u>0.02840</u> *
			<u>0.00157</u> (\$/KWH)

Effective Date for Billing November 29, 2011

Submitted by:   
(Signature)

Title: Manager, Regulatory Services

Date Submitted: November 18, 2011

\*Pursuant to PSC Order dated May 31, 2011 in Case No 2010-00490

## KENTUCKY POWER COMPANY

## FUEL COST SCHEDULE

Month Ended: October 2011

A. Company Generation			
Coal Burned	(+)	\$12,543,439	
Oil Burned	(+)	666,637	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O. )	(+)	0	
Fuel (substitute for F. O. )	(-)		
Sub Total			<u>13,210,076</u>
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	13,216,229	*
Identifiable Fuel Cost (substitute for F. O. )	(-)	0	
Sub Total			<u>13,216,229</u>
C. Inter-System Sales Fuel Costs			<u>9,599,828</u> *
Sub Total			9,599,828
D. Total Fuel Cost (A + B - C)			<u><u>\$16,826,477</u></u>
E. Adjustment indicating the difference in actual fuel cost for the month of <u>September 2011</u> and the estimated cost originally reported <u>\$14,497,492</u> - <u>\$16,408,526</u> = <u>(1,911,034)</u> (actual) (estimated)			
F. Total Company Over or (Under) Recovery from Page 4, Line 12			<u>(142,163)</u>
G. Grand Total Fuel Cost (D + E - F)			<u>\$15,057,606</u>
H. Net Transmission Marginal Line Loss for month of <u>October 2011</u> (Accounts 4470207 and 447208)			608,469
I. ADJUSTED GRAND TOTAL FUEL COSTS (G + H)			<u><u>\$15,666,075</u></u>

\* Estimated - based on actual Kentucky generation unit costs in  
October 2011

<u>\$13,210,076</u>		
420,639,000	0.03140	/KWH

## KENTUCKY POWER COMPANY

## SALES SCHEDULE

Month Ended: October 2011

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	420,639,000
Purchases Including Interchange In	(+)	<u>420,899,000</u>
Sub Total		841,538,000
 B. Pumped Storage Energy	 (+)	 0
Inter-System Sales Including Interchange Out	(+)	305,727,000
System Losses	(+)	<u>13,155,000</u> *
Sub Total		<u>318,882,000</u>
Total Sales (A - B)		<u><u>522,656,000</u></u>

\* Does not include 262,000 KWH of company usage.



**KENTUCKY POWER COMPANY**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Month Ended:        **October 2011**

Line No.			
1	FAC Rate Billed	( + )	0.00115
2	Retail KWH Billed at Above Rate	( x )	<u>490,040,984</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>563,547</u>
4	KWH Used to Determine Last FAC Rate Billed	( + )	620,100,000
5	Non-Jurisdictional KWH Included in L4	( - )	<u>8,003,300</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>612,096,700</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		703,911
8	Over or (Under) Recovery (L3 - L7)		(140,364)
9	Total Sales (Page 3)	( + )	522,656,000
10	Kentucky Jurisdictional Sales	( / )	<u>516,038,500</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (L9 / L10)		1.01282
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(142,163)</u></u>

## KENTUCKY POWER COMPANY

FINAL  
FUEL COST SCHEDULE

Month Ended: September 2011

A. Company Generation			
Coal Burned	( + )	\$16,358,421	
Oil Burned	( + )	592,603	
Gas Burned	( + )	0	
Fuel (jointly owned plant)	( + )	0	
Fuel (assigned cost during F. O. )			
( 82,640,000 KWH X \$0.02096 )	( + )	1,732,134	
Fuel (substitute for F. O. )	( - )	<u>0</u>	
Sub-total		<u>18,683,158</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	( + )	0	
Identifiable Fuel Cost - Other Purchases	( + )	3,318,195	(1)
Identifiable Fuel Cost (substitute for F. O. )			
( 82,640,000 KWH X \$0.02096 )	( - )	<u>1,732,134</u>	
Sub-total		<u>1,586,061</u>	
C. Inter-System Sales Fuel Costs		<u>5,771,727</u>	(1)
D. SUB-TOTAL FUEL COST (A + B - C)		<u>\$14,497,492</u>	
E. Net Transmission Marginal Line Loss for month	<u>September 2011</u>	858,141	
F. GRAND TOTAL FUEL COSTS (D + E)		<u><u>\$15,355,633</u></u>	

( 1 ) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

**KENTUCKY POWER COMPANY  
SYSTEM SALES CLAUSE SCHEDULE  
Case No. 9061 and  
Settlement Agreement in Case No. 2009-00459**

Month Ended:            **October 2011**

**Line  
No.**

1	Current Month (Tm) Net Revenue Level	( + )	380,301
2	Base Month (Tb) Net Revenue Level (Tariff Sheet No. 19-2, Case No. 2009-00459)	( - )	<u>1,739,665</u>
3	Increase/(Decrease) of System Sales Net Revenue		(1,359,364)
4	Customer 60% Sharing	( x )	<u>60%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		(815,618)
6	Current Month (Sm) Sales Level (Page 3 of 5)	( / )	<u>522,656,000</u>
7	System Sales Clause Factor - \$/Kwh (Ln 5 / Ln 6)		<u><u>0.0015605</u></u> *

\* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month

Effective Date for Billing:

November 29, 2011

Submitted by:

*Lila P. Mursey*  
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

November 18, 2011

**KENTUCKY POWER COMPANY**

**SYSTEM SALES CLAUSE NET REVENUE**

**Month Ended:    October 2011**

Line No.		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	TOTAL
1	Sales For Resale Revenues	\$4,191,811	\$8,290	\$4,200,101
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	4,191,811	8,290	4,200,101
4	Sales For Resale Expenses	\$3,605,018	\$168,893	\$3,773,911
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	45,889	0	45,889
7	Total System Sales Expenses	3,650,907	168,893	3,819,800
8	Total System Sales Net Revenues	<u>\$540,904</u>	<u>(\$160,603)</u>	<u>\$380,301</u>

\*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



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Kentucky Power  
181A Enterprise Drive  
P O Box 5190  
Frankfort, KY 40602-5190  
KentuckyPower.com

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PUBLIC SERVICE  
COMMISSION

Jeff R. Derouen, Executive Director  
Public Service Commission of Kentucky

**Attn: Daryl Newby**

P. O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602-0615

December 19, 2011

Gentlemen:

RE: THE STANDARD FUEL ADJUSTMENT CLAUSE

Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules are attached. These calculations are based on estimated November 2011 fuel costs with an adjustment reflecting actual October 2011 fuel costs.

The fuel adjustment clause factor of \$0.00056/kWh will be applied to the January 2012 billing. In accordance with the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's Order dated June 28, 2010 in Case No. 2009-00459. The net system sales factor of \$0.0012935/kWh will also be applied to the January 2012 billing.

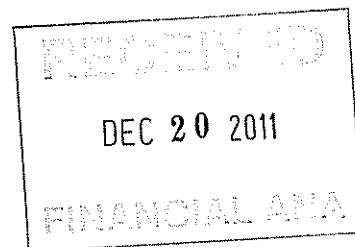
The January 2012 billing will use the combined factor of \$0.0018535/kWh for all usage billed.

If you have any questions, please contact me at 502-696-7010.

Sincerely,

Lila P. Munsey  
Manager, Regulatory Services

Attachments



**KENTUCKY POWER COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

**Month Ended:    November 2011**

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00056
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>\$0.0012935</u>
3 Total Adjustment Clause Factors		<u><u>\$0.0018535</u></u>

Effective Date for Billing

December 30, 2011

Submitted by:

*Lela P. Mursey*  
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

*December 19, 2011*

**KENTUCKY POWER COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Month Ended: November 2011

Fuel Fm (Fuel Cost Schedule)	\$16,388,562		
Sales Sm (Sales Schedule)	565,900,000	( + )	0.02896
Fuel (Fb)	\$16,138,627		
Sales (Sb)	568,162,000	( - )	0.02840 *
			0.00056 (\$/KWH)

Effective Date for Billing December 30, 2011

Submitted by:   
 (Signature)

Title: Manager, Regulatory Services

Date Submitted: December 19, 2011

\*Pursuant to PSC Order dated May 31, 2011 in Case No. 2010-00490

## KENTUCKY POWER COMPANY

## FUEL COST SCHEDULE

Month Ended: November 2011

A.	Company Generation			
	Coal Burned	(+)	\$12,281,067	
	Oil Burned	(+)	20,194	
	Gas Burned	(+)	0	
	Fuel (jointly owned plant)	(+)	0	
	Fuel (assigned cost during F. O. )	(+)	0	
	Fuel (substitute for F. O. )	(-)		
	Sub Total		<u>12,301,261</u>	
B.	Purchases			
	Net Energy Cost - Economy Purchases	(+)	0	
	Identifiable Fuel Cost - Other Purchases	(+)	12,273,904	*
	Identifiable Fuel Cost (substitute for F. O. )	(-)	0	
	Sub Total		<u>12,273,904</u>	
C.	Inter-System Sales Fuel Costs		<u>7,053,519</u>	*
	Sub Total		7,053,519	
D.	Total Fuel Cost (A + B - C)		<u>\$17,521,646</u>	
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>October 2011</u> and the estimated cost originally reported. <u>\$15,182,746</u> - <u>\$16,826,477</u> = <u>(1,643,731)</u> (actual) (estimated)			
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>113,155</u>	
G.	Grand Total Fuel Cost (D + E - F)		<u>\$15,764,760</u>	
H.	Net Transmission Marginal Line Loss for month of <u>November 2011</u> (Accounts 4470207 and 447208)		623,802	
I.	ADJUSTED GRAND TOTAL FUEL COSTS (G + H)		<u>\$16,388,562</u>	

\* Estimated - based on actual Kentucky generation unit costs in November 2011

<u>\$12,301,261</u>			
407,553,000	0.03018	/KWH	



## KENTUCKY POWER COMPANY

## SALES SCHEDULE

Month Ended: November 2011

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	407,553,000
Purchases Including Interchange In	(+)	<u>406,690,000</u>
Sub Total		814,243,000
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	233,715,000
System Losses	(+)	<u>14,628,000</u> *
Sub Total		<u>248,343,000</u>
Total Sales (A - B)		<u><u>565,900,000</u></u>

\* Does not include 315,000 KWH of company usage.

**KENTUCKY POWER COMPANY**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Month Ended:        November 2011

Line No.			
1	FAC Rate Billed	( + )	0.00236
2	Retail KWH Billed at Above Rate	( x )	<u>532,816,644</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>1,257,447</u>
4	KWH Used to Determine Last FAC Rate Billed	( + )	491,831,000
5	Non-Jurisdictional KWH Included in L4	( - )	<u>6,352,300</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>485,478,700</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		1,145,730
8	Over or (Under) Recovery (L3 - L7)		111,717
9	Total Sales (Page 3)	( + )	565,900,000
10	Kentucky Jurisdictional Sales	( / )	<u>558,709,400</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01287
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>113,155</u></u>

## KENTUCKY POWER COMPANY

FINAL  
FUEL COST SCHEDULE

Month Ended: October 2011

A. Company Generation			
Coal Burned	( + )	\$17,695,064	
Oil Burned	( + )	744,084	
Gas Burned	( + )	0	
Fuel (jointly owned plant)	( + )	0	
Fuel (assigned cost during F. O. )			
( 63,902,000 KWH X \$0.022209 )	( + )	1,419,200	
Fuel (substitute for F. O. )	( - )	<u>0</u>	
Sub-total		<u>19,858,348</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	( + )	0	
Identifiable Fuel Cost - Other Purchases	( + )	3,586,863	(1)
Identifiable Fuel Cost (substitute for F. O. )			
( 63,902,000 KWH X \$0.022209 )	( - )	<u>1,419,200</u>	
Sub-total		<u>2,167,663</u>	
C. Inter-System Sales Fuel Costs		<u>6,843,265</u>	(1)
D. SUB-TOTAL FUEL COST (A + B - C)		<u>\$15,182,746</u>	
E. Net Transmission Marginal Line Loss for month	<u>October 2011</u>	608,469	
F. GRAND TOTAL FUEL COSTS (D + E)		<u><u>\$15,791,215</u></u>	

( 1 ) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

**KENTUCKY POWER COMPANY  
SYSTEM SALES CLAUSE SCHEDULE  
Case No. 9061 and  
Settlement Agreement in Case No. 2009-00459**

Month Ended:      November 2011

Line  
No.

1	Current Month (Tm) Net Revenue Level	( + )	318,464
2	Base Month (Tb) Net Revenue Level (Tariff Sheet No. 19-2, Case No. 2009-00459)	( - )	<u>1,538,455</u>
3	Increase/(Decrease) of System Sales Net Revenue		(1,219,991)
4	Customer 60% Sharing	( x )	<u>60%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		(731,995)
6	Current Month (Sm) Sales Level (Page 3 of 5)	( / )	<u>565,900,000</u>
7	System Sales Clause Factor - \$/Kwh (Ln 5 / Ln 6)		<u><u>0.0012935</u></u> *

\* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month

Effective Date for Billing:

December 30, 2011

Submitted by:

*Lila P. Mursey*  
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

*December 19, 2011*

**KENTUCKY POWER COMPANY**  
**SYSTEM SALES CLAUSE NET REVENUE**

**Month Ended: November 2011**

Line No.	CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	TOTAL
1	\$3,374,084	(\$8,553)	\$3,365,531
2	-0-	-0-	-0-
3	3,374,084	(8,553)	3,365,531
4	\$2,944,956	\$44,578	\$2,989,534
5	-0-	-0-	-0-
6	57,533	0	57,533
7	3,002,489	44,578	3,047,067
8	<u>\$371,595</u>	<u>(\$53,131)</u>	<u>\$318,464</u>

\*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



A unit of American Electric Power

Kentucky Power  
101A Enterprise Drive  
P O Box 5190  
Frankfort, KY 40602-5190  
KentuckyPower.com

Jeff R. Derouen, Executive Director  
Public Service Commission of Kentucky  
**Attn: Daryl Newby**  
P. O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602-0615

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PUBLIC SERVICE  
COMMISSION

January 20, 2012

Gentlemen:

RE: THE STANDARD FUEL ADJUSTMENT CLAUSE

Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules are attached. These calculations are based on estimated December 2011 fuel costs with an adjustment reflecting actual November 2011 fuel costs.

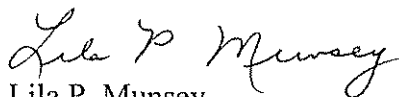
The fuel adjustment clause factor of  $\$(0.00373)/\text{kWh}$  will be applied to the February 2012 billing. In accordance with the Commission's Order dated October 3, 2002, in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's Order dated June 28, 2010, in Case No. 2009-00459. The net system sales factor of  $\$0.0009060/\text{kWh}$  will also be applied to the February 2012 billing.

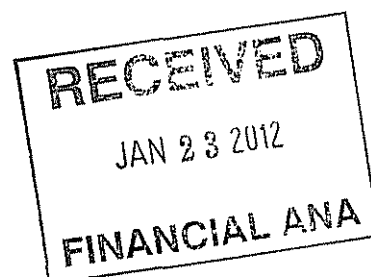
The February 2012 billing will use the combined factor of  $\$(0.0028240)/\text{kWh}$  (credit) for all usage billed.

If you have any questions, please contact me at 502-696-7010.

Sincerely,

  
Lila P. Munsey  
Manager, Regulatory Services

Attachments



**KENTUCKY POWER COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

**Month Ended:    December 2011**

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	(\$0.00373)
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>\$0.0009060</u>
3 Total Adjustment Clause Factors		<u><u>(\$0.0028240)</u></u>

Effective Date for Billing

January 31, 2012

Submitted by:

*Lila P. Mursey*  
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

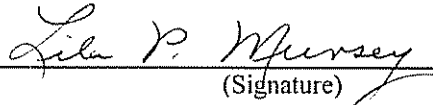
January 20, 2012

**KENTUCKY POWER COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Month Ended: December 2011

Fuel Fm (Fuel Cost Schedule)	\$15,930,839		
Sales Sm (Sales Schedule)	645,696,000	(+)	0.02467
Fuel (Fb)	\$16,138,627		
Sales (Sb)	568,162,000	(-)	0.02840 *
			(0.00373) (\$/KWH)

Effective Date for Billing January 31, 2012

Submitted by: 
  
 (Signature)

Title: Manager, Regulatory Services

Date Submitted: January 20, 2012

\*Pursuant to PSC Order dated May 31, 2011 in Case No. 2010-00490



## KENTUCKY POWER COMPANY

## FUEL COST SCHEDULE

Month Ended: December 2011

A. Company Generation			
Coal Burned	(+)	\$13,270,815	
Oil Burned	(+)	451,035	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O. )	(+)	0	
Fuel (substitute for F. O. )	(-)		
Sub Total		<u>13,721,850</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	12,394,325	*
Identifiable Fuel Cost (substitute for F. O. )	(-)	0	
Sub Total		<u>12,394,325</u>	
C. Inter-System Sales Fuel Costs		<u>7,103,681</u>	*
Sub Total		<u>7,103,681</u>	
D. Total Fuel Cost (A + B - C)		<u><u>\$19,012,494</u></u>	
E. Adjustment indicating the difference in actual fuel cost for the month of <u>November 2011</u> and the estimated cost originally reported. <u>\$13,812,847</u> - <u>\$17,521,646</u> = <u>(3,708,799)</u> (actual) (estimated)			
F. Total Company Over or (Under) Recovery from Page 4, Line 12		<u>172,284</u>	
G. Grand Total Fuel Cost (D + E - F)		<u>\$15,131,411</u>	
H. Net Transmission Marginal Line Loss for month of <u>December 2011</u> (Accounts 4470207 and 447208)		799,428	
I. ADJUSTED GRAND TOTAL FUEL COSTS (G + H)		<u><u>\$15,930,839</u></u>	

\* Estimated - based on actual Kentucky generation unit costs in  
December 2011

<u>\$13,721,850</u>		
478,139,000	0.02870	/KWH

## KENTUCKY POWER COMPANY

## SALES SCHEDULE

Month Ended: December 2011

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	478,139,000
Purchases Including Interchange In	(+)	<u>431,858,000</u>
Sub Total		909,997,000
 B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	247,515,000
System Losses	(+)	<u>16,786,000</u> *
Sub Total		<u>264,301,000</u>
Total Sales (A - B)		<u><u>645,696,000</u></u>

\* Does not include 379,000 KWH of company usage.

**KENTUCKY POWER COMPANY**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

**Month Ended:        December 2011**

Line No.			
1	FAC Rate Billed	( + )	0.00157
2	Retail KWH Billed at Above Rate	( x )	<u>624,291,088</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>980,137</u>
4	KWH Used to Determine Last FAC Rate Billed	( + )	522,656,000
5	Non-Jurisdictional KWH Included in L4	( - )	<u>6,617,500</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>516,038,500</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		810,180
8	Over or (Under) Recovery (L3 - L7)		169,957
9	Total Sales (Page 3)	( + )	645,696,000
10	Kentucky Jurisdictional Sales	( / )	<u>636,975,700</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (L9 / L10)		1.01369
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>172,284</u></u>

## KENTUCKY POWER COMPANY

FINAL  
FUEL COST SCHEDULE

Month Ended: November 2011

A. Company Generation			
Coal Burned	( + )	\$16,694,798	
Oil Burned	( + )	127,996	
Gas Burned	( + )	0	
Fuel (jointly owned plant)	( + )	0	
Fuel (assigned cost during F. O. )			
( 102,681,000 KWH X \$0.016496 )	( + )	1,693,826	
Fuel (substitute for F. O. )	( - )	<u>0</u>	
Sub-total		<u>18,516,620</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	( + )	0	
Identifiable Fuel Cost - Other Purchases	( + )	4,528,305	(1)
Identifiable Fuel Cost (substitute for F. O. )			
( 102,681,000 KWH X \$0.016496 )	( - )	<u>1,693,826</u>	
Sub-total		<u>2,834,479</u>	
C. Inter-System Sales Fuel Costs		<u>7,538,252</u>	(1)
D. SUB-TOTAL FUEL COST (A + B - C)		<u>\$13,812,847</u>	
E. Net Transmission Marginal Line Loss for month	<u>November 2011</u>	623,802	
F. GRAND TOTAL FUEL COSTS (D + E)		<u><u>\$14,436,649</u></u>	

( 1 ) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

**KENTUCKY POWER COMPANY  
SYSTEM SALES CLAUSE SCHEDULE  
Case No. 9061 and  
Settlement Agreement in Case No. 2009-00459**

Month Ended:        **December 2011**

**Line  
No.**

1	Current Month (Tm) Net Revenue Level	(+)	593,160
2	Base Month (Tb) Net Revenue Level (Tariff Sheet No. 19-2, Case No. 2009-00459)	(-)	<u>1,568,121</u>
3	Increase/(Decrease) of System Sales Net Revenue		(974,961)
4	Customer 60% Sharing	(x)	<u>60%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		(584,977)
6	Current Month (Sm) Sales Level (Page 3 of 5)	(/)	<u>645,696,000</u>
7	System Sales Clause Factor - \$/Kwh (Ln 5 / Ln 6)		<u><u>0.0009060</u></u> *

\* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

January 31, 2012

Submitted by:

*Lela P. Munsey*  
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

January 20, 2012

**KENTUCKY POWER COMPANY**  
**SYSTEM SALES CLAUSE NET REVENUE**

**Month Ended: December 2011**

Line No.	CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	TOTAL
1	\$4,450,008	(\$13,516)	\$4,436,492
2	-0-	-0-	-0-
3	4,450,008	(13,516)	4,436,492
4	\$3,716,000	\$77,045	\$3,793,045
5	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	0	50,287
7	3,766,287	77,045	3,843,332
8	<u>\$683,721</u>	<u>(\$90,561)</u>	<u>\$593,160</u>

\*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs